



SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 1st, March, 2026

MARKET OVERVIEW

MARKETS	09 FEB	10 FEB	11 FEB	12 FEB	13 FEB
USD/INR	91.016	90.918	90.894	90.399	91.076
OIL	71.49	70.77	70.85	70.75	72.48
GOLD	5225	5176	5226	5201	5212
India 10yr	6.6970	6.6812 6	6.6777	6.6943	6.6601
US 10yr	4.027	4.033	4.048	4.017	3.962
NIFTY 50	25703	25459	25475	25493	25184
SENSEX	83287	82319	82269	82230	81318

Key Headlines from the week:

The 10-year benchmark (6.48% GS 2035) yield concluded the week at 6.6601 at 6.13 bps below the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (6.13 bps below), 10Y UST (12.3 bps below), 10Y Bund (8 bps below), and 10Y UKT (5 bps below).

The People's Bank of China (PBoC) kept the five-year loan prime rate (LPR), the benchmark for mortgage rates, unchanged at a record low of 3.5% in the February fixing, as expected, marking the ninth consecutive month without a change following a 10-basis-point cut in late May.

Japan's industrial production rose 2.2% month-over-month in January 2026, reversing a 0.1% drop in the previous month but missing market estimates of a 5.3% growth, flash data showed.

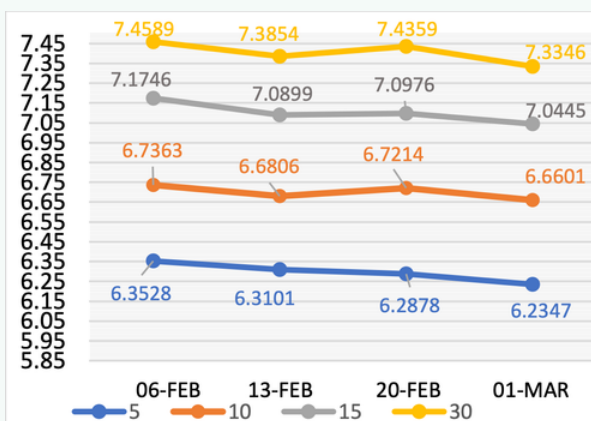
Singapore's Domestic Supply Price Index dropped by 6% year-on-year in January 2026, slipping further from a downwardly revised 2.6% fall in the previous month.

Import Prices MoM in Germany increased to 1.10 percent in January from -0.10 percent in December of 2025.

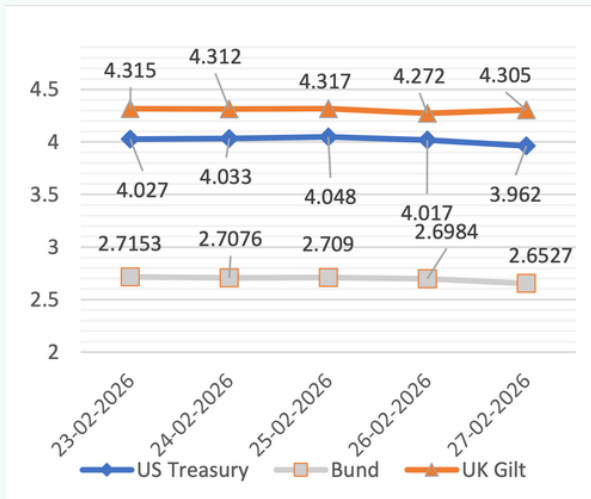
The Bank of Korea held its policy interest rate steady at 2.5% for the sixth consecutive meeting in February 2026, continuing its extended pause in the easing cycle in line with market expectations.

Euro area consumer confidence was confirmed at -12.2 in February 2026, the highest reading since November 2024, up from -12.4 in the prior month.

INDIA BOND YEILD (%)



KEY 10-YR YEILDS (%)





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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
FEB 16	-	908	395533
FEB 17	-	787	3965225
FEB 18	-	806	385884
FEB 19	-	74	323427
FEB 20	-	773	361050
FEB 21	-	159	297305

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	FEB 21. 2025	FEB 13. 2026	FEB 20. 2026
	1	2	3
Call Money	23232	21624	21864
Notice Money	1004	2071	9257
Triparty Repo	648196	808798	985652
Market Repo	521248	570489	685917
Corporate Bond Repo	7841	22847	20938

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 E 9.35 NCD 31DC31 FVRS1LAC	9.0825	103.2348
MUTHOOT FINANCE LIMITED 8.70 NCD 16JN236 FVRS1LAC	8.5661	100.8000
KOTAK MAHINDRA INVESTMENTS LIMITED 7.4735 NCD 30OT28 FVRS1LAC	7.4891	100.000

INDIAN MARKET UPDATE

The Indian real gross domestic product expanded by 7.8% from the previous year in the December quarter of 2025, inching down from the upwardly revised, six-quarter high of 8.4% in the earlier period but firmly above market expectations of 7.2%.

Indian government bonds experienced a dip as traders prepared for substantial auctions totaling 750 billion rupees. This heavy supply is bringing demand-supply dynamics to the forefront. Investors are also awaiting crucial economic growth data for October-December.

India's fiscal deficit narrowed to INR 9.81 trillion in April-January 2025-26, down from INR 11.70 trillion a year earlier, reaching 63.0% of the government's full-year target compared with 74.5% in the same period last year.

India's foreign exchange reserves surged by \$8.66 billion to reach an unprecedented \$725.727 billion in the week ending February 13. This significant increase follows the Reserve Bank of India's market interventions, including purchases and sales of foreign currency in recent months.

The Government of India will conduct a switch auction on March 02, 2026 for an aggregate ₹25,000 crore (face value). The operation involves switching short-dated securities 5.63% GS 2026 (₹3,000 crore), 7.33% GS 2026 (₹2,000 crore), 8.15% GS 2026 (₹8,000 crore), and 8.24% GS 2027 (₹12,000 crore) into longer-tenor papers: 6.92% GS 2039, 7.50% GS 2034, 6.57% GS 2033, 8.32% GS 2032, and 7.40% GS 2062.

UPCOMING AUCTIONS

2ND MARCH - RBI announced the SDL auction, in which 13 states will be raising aggregating to 43,130 crores.

4TH MARCH - RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 14,000, 12,000, & 8,000 crores respectively.





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INR DOLLAR EXCHANGE

	23 FEB	24 FEB	25 FEB	26 FEB	27 FEB
OPEN	90.7	91.0	90.9	90.9	91.0
HIGH	91.0	91.0	90.9	91.0	91.1
LOW	90.6	90.8	90.8	90.8	90.9
CLOSE	91.0	90.9	90.8	90.9	91.0

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.25	5.25
USA	4.00	4.00
UK	3.75	3.75
CHINA	3.00	3.10
EURO AREA	2.15	2.40
JAPAN	0.75	0.50

KEY EVENTS

DATE	EVENTS
2- MAR	US ISM Manufacturing PMI, India Industrial Production, Singapore SIPMM Manufacturing PMI
3- MAR	Eurozone Inflation, Japan Unemployment Rate, Australia Building Permits, ASEAN S&P Global Manufacturing PMI
4- MAR	Worldwide Manufacturing PMIs, incl. global PMI, US ADP Employment Change, US ISM Services PMI, Eurozone Unemployment, China (Mainland) NBS PMI
5- MAR	US Export and Import Prices, US Balance of Trade, Eurozone Retail Sales
6- MAR	US Non-Farm Payrolls, Unemployment Rate, Average Hourly Earnings, Eurozone GDP, South Korea Inflation, Philippines Industrial Production

CURRENCY MOVEMENT

The Indian rupee held steady near 90.92 against the dollar, supported by a weaker greenback and foreign bank sales. Local stocks, particularly IT shares, rebounded, contributing to modest dollar inflows.

The Indian rupee closed modestly weaker on Tuesday, weighed down by a drop in local stocks and strong dollar demand from the nondeliverable forwards market, though losses were limited by central bank intervention.

Foreign portfolio inflows and the rupee have strengthened after India's free trade agreement with the European Union and an interim trade deal with the United States, the Reserve Bank of India said in its monthly bulletin on Friday.

KEY UPDATES AND WEEK AHEAD:

Global PMI & Growth Divergence: February's full manufacturing and services PMI releases will update global growth trends after January showed a modest rebound from December's low. Flash data point to stronger momentum in Japan, the UK and parts of Europe, while US growth has slowed, reinforcing a multimonth divergence favouring Europe and Asia. ASEAN manufacturing resilience and weakening financial services activity are additional areas of focus.

Uncertainty, Geopolitics & Inflation Pressures: PMI comment trackers suggest business uncertainty, though easing, remains elevated and could rise further amid tariff developments and Middle East tensions, particularly around Iran, with potential implications for oil prices and inflation, which have already shown signs of firming in flash data.

US Jobs & Policy Expectations: Friday's US non-farm payrolls report follows a stronger-than-expected 130K January gain and a drop in unemployment to 4.3%, which tempered rate-cut expectations. The data will be key in shaping views on whether the Fed remains on hold in the coming months as it assesses incoming economic signals.

