



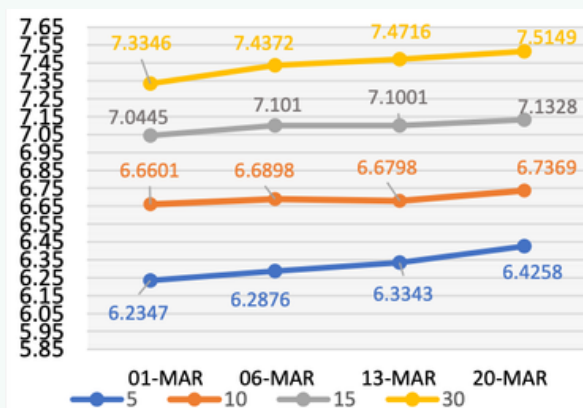
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 22nd, March, 2026

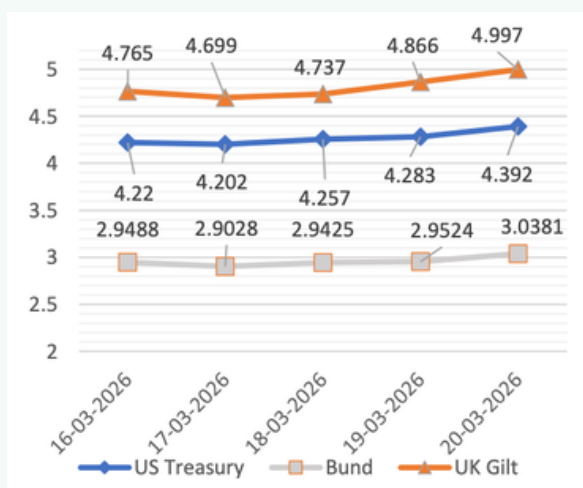
MARKET OVERVIEW

MARKETS	09 MAR	10 MAR	11 MAR	12 MAR	13 MAR
USD/INR	92.2	92.3	93.1	92.9	93.6
OIL	100.21	103.42	107.38	108.65	112.19
GOLD	5002	5008	4896	4605	4574
India 10yr	6.7059	6.7143	6.7330	-	6.7369
US 10yr	4.220	4.202	4.257	4.283	4.392
NIFTY 50	23356	23558	23764	23090	23134
SENSEX	75306	76017	76683	74504	74596

INDIA BOND YEILD (%)



KEY 10-YR YEILDS (%)



Key Headlines from the week:

The 10-year benchmark (6.48% GS 2035) yield concluded the week at 6.7369 at 5.71 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (5.71 bps above), 10Y UST (14 bps above), 10Y Bund (6 bps above), and 10Y UKT (16 bps above).

The Fed left the federal funds rate steady at the 3.5%-3.75% target range for a 2nd consecutive meeting in March 2026, in line with expectations. Policymakers noted that economic activity has been expanding at a solid pace, job gains have remained low while inflation remains somewhat elevated.

Foreign direct investment (FDI) inflows into China declined 5.7% year-over-year to CNY 161.45 billion in January-February 2026. The manufacturing sector secured CNY 47.52 billion, while services accounted for CNY 111.22 billion of the total.

The Central Bank of Russia cut its key policy rate by 50bps to 15% in its March 2026 decision, aligned with the median estimates by markets to mark a seventh consecutive cut since the rate was at a record high of 21%.

The People's Bank of China (PBoC) kept its key lending rates unchanged at record lows for a tenth straight month in March 2026.

Core producer prices in the United States, which exclude food and energy, rose by 0.5% from the previous month in February 2026, slowing from a 0.8% advance in January but surpassing market forecasts of a 0.3% rise. Final demand goods prices excluding food and energy went up 0.3%, down from 0.7% in January, and services prices increased 0.5%, following a 0.8% gain.



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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
MAR 09	-	138	343189
MAR 10	-	299	398376
MAR 11	-	344	363162
MAR 12	-	125	371547
MAR 13	-	127	336969
MAR 14	-	154	313868

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	MAR 14. 2025	MAR 06. 2026	MAR 13. 2026
	1	2	3
Call Money	23931	17547	28857
Notice Money	8289	10357	2382
Triparty Repo	791467	917512	788423
Market Repo	706212	769750	645369
Corporate Bond Repo	8987	21666	221524

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT 7.44% UNSECURED RATED LISTED REDEEMABLE NCD	7.4525	100.000
BHARTI TELECOM LIMITED 7.85% UNSECURED RATED LISTED REDEEMABLE NCD	7.8600	99.9402
POWER FINANCE CORPORATION LIMITED 7.45% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE SERIES 248B DATE OF MATURITY 15/07/2028	7.2667	100.4388

INDIAN MARKET UPDATE

India's wholesale prices rose 2.13% year-on-year in February 2026, accelerating from a 1.81% increase in January and exceeding expectations of a 2% gain.

India's merchandise trade deficit widened to \$27.10 billion in February 2026, nearly doubling from \$14.42 billion a year earlier but slightly below market expectations of \$28.0 billion. Imports jumped 24% year-on-year to \$63.71 billion, driven by purchases of gold and silver, while exports fell 0.8% to \$36.61 billion

The unemployment rate in India inched down to 4.9% in February of 2026 from 5% in the previous month, contrasting with the market consensus that it would increase to 5.1%. The rate inched closer to the record low of 4.7% from November of the previous year, reflecting strength in the Indian labor market amid robustness in its manufacturing and government support against US tariffs.

The State Bank of India has achieved a remarkable feat by raising Rs 6,051 crore through its latest venture of issuing Tier II bonds compliant with Basel III standards. Boasting a competitive coupon rate of 7.05 percent, these funds are set to fuel the bank's ongoing growth initiatives.

The infrastructure output in India rose by 2.3 annually in February of 2026, slowing from the upwardly revised 4.7% increase from the previous month, but still marking a fourth straight period of growth.

UPCOMING AUCTIONS

24TH MARCH - RBI announced the SDL auction, in which 22 states will be raising, aggregating to 55,688 crores.

25TH MARCH - RBI announced the auction of T-bills for 91 days, 182 days, and 364 days for 15,000, 12000, & 8000 crores respectively.





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INR DOLLAR EXCHANGE

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

INTEREST RATES

	16 MAR	17 MAR	18 MAR	19 MAR	20 MAR
OPEN	92.4	92.2	92.4	93.0	92.9
HIGH	92.4	92.4	93.1	93.3	92.8
LOW	92.1	92.2	92.3	92.1	92.8
CLOSE	92.2	92.3	93.1	92.9	93.6

KEY EVENTS

DATE	EVENTS
23- MAR	Singapore Inflation rate, Europe union bond auction, Turkey foreign exchange reserve, US Chicago National Activity Index
24- MAR	Japan Inflation rate, India HSBC composite PMI, Germany 5-year bond auction, US Nonfarm Productivity
25- MAR	BOJ Monetary Policy minutes, UK inflation rate MOM, UK PPI, UK CPI, India M3 Money Supply, US Current Account, Russia Industrial Production, Australia CPI
26- MAR	Japan Foreign Bond Investment, Singapore Industrial Production, US initial jobless claim
27- MAR	Singapore PPI, China Industrial Profits, India Bank loan growth, India Foreign reserves, India Deposit growth, Brazil unemployment rate

CURRENCY MOVEMENT

India's rupee weakened to a fresh low, falling past 93 per dollar, as prospects of a prolonged Middle East conflict stoked fears over a widening importing bill. Crude prices have swung wildly amid attacks on some of the Middle East's most important energy facilities, remaining well above the \$70 baseline assumed by the Reserve Bank of India. The RBI had been intervening for months to steady the rupee, with its net-short dollar book nearing \$100 billion across offshore and onshore markets, as global funds have sold over \$9 billion in Indian equities this year.

The value of loans in India increased 14.50 percent in February of 2026 over the same month in the previous year. Loan Growth in India averaged 11.78 percent from 2012 until 2026.

Foreign Exchange Reserves in India decreased to 709760 USD Million in March 13 from 716810 USD Million in the previous week. Foreign Exchange Reserves in India averaged 314876.73 USD Million from 1998 until 2026, reaching an all-time high of 728490.00 USD Million in February of 2026 and a record low of 29048.00 USD Million in September of 1998.

KEY UPDATES AND WEEK AHEAD:

PMI in Focus - War Impact: March flash PMIs will provide the first read on how the Middle East conflict is affecting growth, demand, inflation, and business confidence across major economies and India.

Inflation vs Growth Trade-off: Rising energy costs are expected to push inflation higher, especially in the US, UK and eurozone, increasing the risk of further hawkish central bank actions, though concerns about weakening demand and growth remain.

Supply Chains & Policy Signals: PMIs will also track supply chain disruptions (via delivery times), alongside indicators like orders, exports and hiring, while additional cues come from UK & Japan inflation, US/eurozone confidence data, and rate decisions in Norway and Mexico.

