



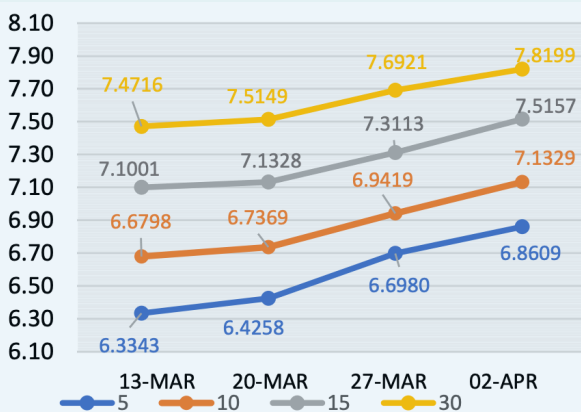
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 5th April, 2026

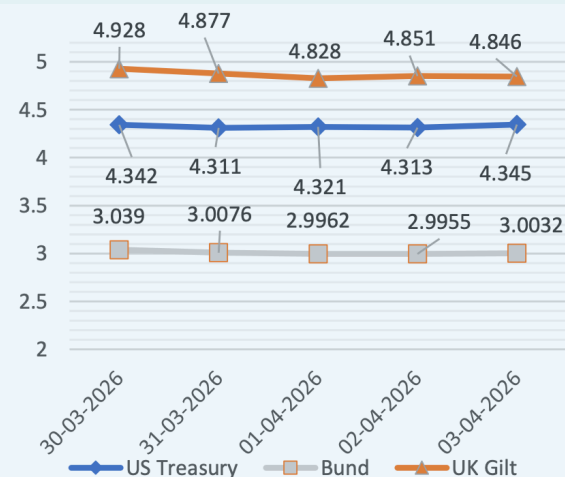
MARKET OVERVIEW

MARKETS	30 MAR	31 MAR	01 APR	02 APR	03 APR
USD/INR	94.379	93.485	93.226	92.978	92.710
OIL	112.78	118.35	101.16	109.03	-
GOLD	4557	4678	4813	4679	4702
India 10yr	7.0345	-	-	7.1329	-
US 10yr	4.342	4.311	4.321	4.313	4.345
NIFTY 50	22379	-	22701	22700	-
SENSEX	72084	-	73272	73316	-

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 7.1329 at 19.1 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (19.1 bps above), 10Y UST (9.5 bps below), 10Y Bund (9 bps below), and 10Y UKT (7 bps below).

Bond Investments by Japanese abroad decreased by 945.40 billion yen in the week ending March 28 of 2026. Foreign Bond Investment in Japan averaged 163.45 JPY Billion from 2005 until 2026, reaching an all time high of 6790 JPY Billion in September of 2021 and a record low of -7827 JPY Billion in July of 2021.

Japan's 10-year government bond yield climbed to 2.38% on Thursday, marking an alltime high and ending a three-day decline, as market expectations for a Bank of Japan rate hike grew.

Initial jobless claims in the US fell by 9,000 from the previous week to 202,000 in the fourth week of March, well below the median market estimate of 212,000.

The US goods trade deficit widened to \$83.5 billion in February 2026 from an upwardly revised \$80.9 billion in the previous month. Imports rose 5.1% to \$289.7 billion. Meanwhile, exports grew 5.9% month-on-month to \$206.2 billion.

France's state budget deficit narrowed to EUR 32.1 billion in January-February 2026 from EUR 40.3 billion in the same period last year, amid higher revenues and lower spending. Total revenues increased by 16.0% year-on-year to EUR 52.5 billion, driven by increased VAT receipts and a sharp rise in non-tax revenues.





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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
MAR 23	79256	108	279429
MAR24	55837	179	245832
MAR 25	-	445	227734
MAR 26	-	449	220304
MAR 27	65322	563	308261
MAR 28	-	100	303617

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	MAR 28. 2025	MAR 20. 2026	MAR 27. 2026
	1	2	3
Call Money	27595	44238	33889
Notice Money	6082	2580	3904
Triparty Repo	818746	976796	970577
Market Repo	671533	754918	743829
Corporate Bond Repo	6386	26113	26275

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
TATA CAPITAL LIMITED SR P STRPP II 8.30 NCD 16MR27 FVRS1LAC	7.7625	100.4122
REC LIMITED SR 234-A 7.70 BD 31AG26 FVRS1LAC	7.5000	99.9433
TAPIR CONSTRUCTIONS LIMITED SR I TR I 12.50 NCD 12MR30 FVRS1LAC	13.1357	100.2800
KERALA INFRASTRUCTURE INVESTMENT FUND BOARD SR VII STRPP C 9.30 BD 21JN32 FVRS1LAC	9.6089	101.0449

INDIAN MARKET UPDATE

India's industrial production growth accelerated to **5.2%** year-over-year in February 2026, up from a revised **5.1%** in January and surpassing market expectations of **4.2%**. The expansion was driven by a strong **6%** rise in manufacturing output, following a **4.8%** increase the previous month.

Manufacturing Production in India increased **6 percent** in February of 2026 over the same month in the previous year. Manufacturing Production in India averaged **5.70 percent** from 2006 until 2026, reaching an all time high of **196 percent** in April of 2021 and a record low of **-66.60 percent** in April of 2020.

India's fiscal deficit narrowed to **INR 12.5 trillion** in April-February 2025-26, down from **INR 13.5 trillion** a year earlier, reaching **80.4%** of the full-year target, an improvement from **85.8%** in the same period last year.

The HSBC India Manufacturing PMI fell to **53.9** in March 2026 from **56.9** in February, slightly higher than preliminary estimates of **53.8**.

The benchmark **6.48%** 2035 bond yield rose about **4 bps** to **7.1329%**, its highest level since **May 21, 2024**. Notably, benchmark yields have increased by **37 bps** in March and **45 bps** in FY26, despite **100 bps** of rate cuts by the Reserve Bank of India (RBI).

UPCOMING AUCTIONS

07TH APRIL - RBI announced the SDL auction, in which 7 states will be raising aggregating to **18,159 crores**.

08TH APRIL - RBI announced the auction of T bills for 91 days, 182 days, and 364 days for **12,000, 6000, & 6000 crores** respectively.





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INR DOLLAR EXCHANGE

	30 MAR	31 MAR	01 APR	02 APR	03 APR
OPEN	93.0	94.3	93.6	96.2	92.9
HIGH	95.2	94.3	93.8	93.6	92.8
LOW	93.0	93.4	93.0	92.7	92.6
CLOSE	94.3	93.4	93.2	92.9	92.7

INTEREST RATES

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

KEY EVENTS

DATE	EVENTS
06- APR	HSBC PMI, India Services & Composite, S&P Global PMI, Singapore, Eurozone Sentix Investor Confidence
07- APR	US Durable Goods Orders, US FOMC Goolsbee Speech
08- PPR	US FOMC minutes, Germany Factory Orders, Eurozone Producer Prices, New Zealand RBNZ Interest Rate Decision, UK Construction PMI
09- APR	US GDP (Q4), US Jobless Claims, US Wholesale Inventories, Japan Consumer Confidence, Germany Industrial Production
10- APR	US Inflation, CPI (Mar), US Factory Orders, Germany Consumer Prices, Mainland China Inflation, CPI (Mar), Mainland China Producer Price Inflation (Mar)

CURRENCY MOVEMENT

The Reserve Bank of India has updated its rules. Residents and non-residents can now exchange Indian rupee notes. This facility is available at foreign exchange counters in international airport departure halls. The exchange can happen beyond the immigration and customs desks. This change aims to simplify currency exchange for travelers.

The Indian rupee surged on Thursday after the central bank tightened the screws on speculative bets against the currency, with the Asian unit having its best day since 2013, when policymakers had also resorted to extraordinary measures to stabilise markets.

The Indian rupee hit a record low against the dollar, breaching 94 and nearing 95, as rising crude oil prices fueled fears of a prolonged Gulf war. Indian equities also suffered significant declines, marking a fifth consecutive week of losses. Analysts warn of further depreciation for the rupee if the conflict persists and central bank intervention remains subdued.

KEY UPDATES AND WEEK AHEAD:

Services PMI - War Impact Deepens: Upcoming services PMI data are expected to show a stronger hit to growth than manufacturing, with travel, tourism and financial services particularly affected by war-driven uncertainty and rising fuel costs.

Manufacturing Resilience, Risks Ahead: While global manufacturing has remained relatively resilient so far, supported partly by inventory build-up, rising costs and supply disruptions suggest weaker demand and production ahead.

US Inflation & Policy Signals: March US CPI is expected to spike (~0.9% m/m headline), reflecting war-related price pressures, with risks of further increases ahead. Markets will also track FOMC minutes, Fed commentary, China inflation data, and a New Zealand policy decision for additional policy cues.

