



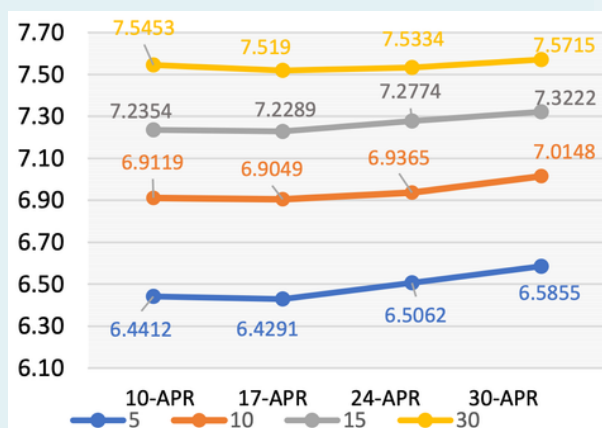
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 3rd May, 2026

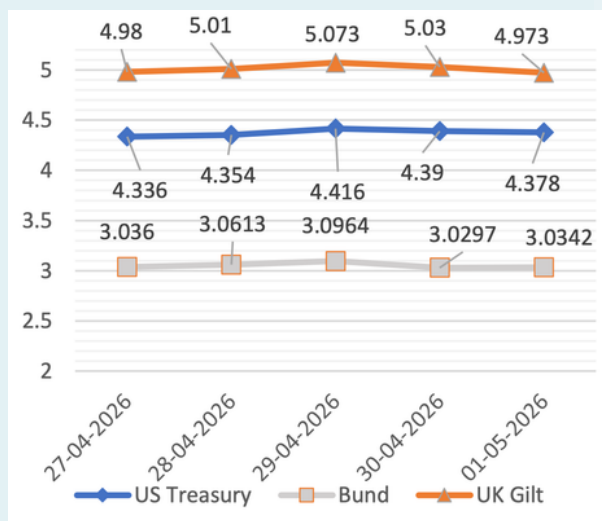
MARKET OVERVIEW

MARKETS	27 APR	28 APR	29 APR	30 APR	01 APR
USD/INR	94.195	94.545	94.865	94.910	94.905
OIL	108.23	111.26	118.03	114.01	108.17
GOLD	4693	4608	4577	4646	4661
India 10yr	6.9418	6.9837	6.9928	7.0148	-
US 10yr	4.336	4.354	4.416	4.390	4.378
NIFTY 50	24109	24013	24164	24011	-
SENSEX	77365	76967	77496	77132	-

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 7.0148 at 7.83 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (7.83 bps above), 10Y UST (13 bps above), 10Y Bund (7 bps above), and 10Y UKT (19 bps above).

The Fed kept the federal funds rate unchanged at the 3.5%–3.75% target range for a third consecutive meeting in April 2026, in line with expectations. The decision was not unanimous, with Governor Miran voting to lower interest rates by 25bps and three other members objecting the language in the statement that suggested the central bank would eventually resume cutting rates. The 8-4 vote marked the first time since October 1992 that four officials dissented against a FOMC decision.

The Bank of England voted 8-1 to keep Bank Rate unchanged at 3.75% in April 2026, with one member preferring an increase to 4% and several policymakers indicating they could consider additional rate increases in the future.

The Bank of Japan kept its short-term policy rate unchanged at 0.75% at its April 2026 meeting, leaving borrowing costs at their highest level since September 1995.

Eurozone M3 money supply rose 3.3% year-on-year to €17,344.7 billion in January 2026, up from 2.8% in December and surpassing market expectations of 2.9%. The narrower M1 aggregate, which includes currency in circulation and overnight deposits, rose 5.3% annually, up from 4.7% in December.





SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 3rd May, 2026

Liquidity Operation by RBI

% CHANGE

DATE	VRRR	MSF	SDF
APR 13	-	77	257338
APR 14	-	174	178765
APR 15	-	390	181000
APR 16	-	114	149391
APR 17	-	237	343869
APR 18	-	180	313869

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	APR 27, 2025	APR 17, 2026	APR 24, 2026
	1	2	3
Call Money	26638	26662	39844
Notice Money	2082	11421	1780
Triparty Repo	706111	871485	806941
Market Repo	626465	683521	806491
Corporate Bond Repo	6915	28537	27380

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	7.7010	99.1419
TORRENT PHARMACEUTICALS LTD SR 2 7.60 NCD 19JN29 FVRS1LAC	8.1014	98.7573
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.9776	57.5114
POWER FINANCE CORPORATION LIMITED SR 248B 7.45 NCD 15JL28 FVRS1LAC	7.5550	99.8056

INDIAN MARKET UPDATE

Indian government bonds ended April close to levels seen at the end of the month prior after declining on Thursday, as crude oil prices and Treasury yields surged, though dovish central bank policy helped calm some nerves. The local currency hit a record low on Thursday after Brent crude topped \$126 a barrel, a level last seen in March 2022 after Russia invaded Ukraine. Higher oil prices are a key inflationary and fiscal risk for net energy importer India.

Corporate borrowing costs are rising again after a brief dip in mid-April, driven by concerns over the West Asia conflict impacting oil prices. Recent state-backed bond issuances saw lower-than-planned mobilizations, indicating increased caution among issuers and selective appetite in the debt market.

Industrial production in India rose by 4.1% from the previous year in March of 2026, slowing from the revised 5.1% expansion in February to reflect the slowest increase in five months, albeit beating expectations of a 3.7% expansion. Despite remaining robust, the pullback reflected some impact from the outbreak of war in the Middle East in the Indian goods production, hampered by the surge in energy prices and inflationary risks amid the pressure for the rupee.

Manufacturing Production in India increased 4.30 percent in March 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.

UPCOMING AUCTIONS

05THMAY – RBI announced the SDL auction, in which 5 states will be raising aggregating to 18,600 crores.

06THMAY – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 12,000, 6000, & 6000 crores respectively.





SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 3rd May, 2026

INR DOLLAR EXCHANGE

	27 APR	28 APR	29 APR	30 APR	01 MAY
OPEN	94.2	94.3	94.5	94.8	94.9
HIGH	94.2	94.5	94.8	95.3	94.9
LOW	94.1	94.3	94.5	94.8	94.9
CLOSE	94.1	94.5	94.8	94.9	94.9

CURRENCY MOVEMENT

As of late April 2026, the Indian rupee (INR) has faced significant pressure, hitting a four-week low around 94.2-95.2 per dollar, driven by high oil prices, foreign portfolio outflows, and Middle East volatility, prompting Reserve Bank of India (RBI) intervention to cap volatility. The rupee is considered highly undervalued, reaching its lowest real-effective exchange rate (REER) since 2015.

Foreign Exchange Reserves in India increased to 703310 USD Million in April 17 from 700950 USD Million in the previous week. Foreign Exchange Reserves in India averaged 316208.26 USD Million from 1998 until 2026, reaching an all time high of 728490 USD Million in February of 2026 and a record low of 29048 USD Million in September of 1998.

India's foreign exchange reserves saw a significant jump of \$2.3 billion, reaching \$703 billion. This increase was driven by foreign currency assets and dollar asset revaluation. Meanwhile, the Indian rupee experienced a slight dip of 14 paise against the dollar. Traders suggest the Reserve Bank of India intervened to stabilize the local currency.

KEY UPDATES AND WEEK AHEAD:

US Jobs & Policy Expectations: Friday's non-farm payrolls will be key after a strong 178k March gain and rising inflation (PCE at 3.5%), which have pushed a hawkish shift in Fed expectations.

Central Banks - RBA in Focus: After major central banks held rates, attention shifts to the RBA, where a rate hike is widely expected amid elevated inflation (4.6%) and rising price pressures. Other decisions include Norway, Sweden, Malaysia, and Poland.

PMI Trends & War Impact: Ongoing PMI releases will highlight the economic impact of the Middle East conflict, with manufacturing supported by temporary stockpiling, while services especially consumer-facing sectors show weakness due to higher costs and uncertainty.

INTEREST RATES

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

KEY EVENTS

DATE	EVENTS
04- MAY	US durable goods orders, US factory orders, Manufacturing PMI releases* - incl. global, eurozone, Brazil, India
05- MAY	ISM non-manufacturing, US trade balance, US JOLTS job openings
06- MAY	US ADP employment, Eurozone producer prices (Mar) Sweden inflation, South Korea inflation
07- MAY	US labor costs and productivity, Brazil industrial production and trade balance, Eurozone construction PM, Germany manufacturing orders
08- MAY	US employment report incl. nonfarm payrolls, Japan services and composite PMI, Mainland China trade balance, Germany industrial production and trade balance

