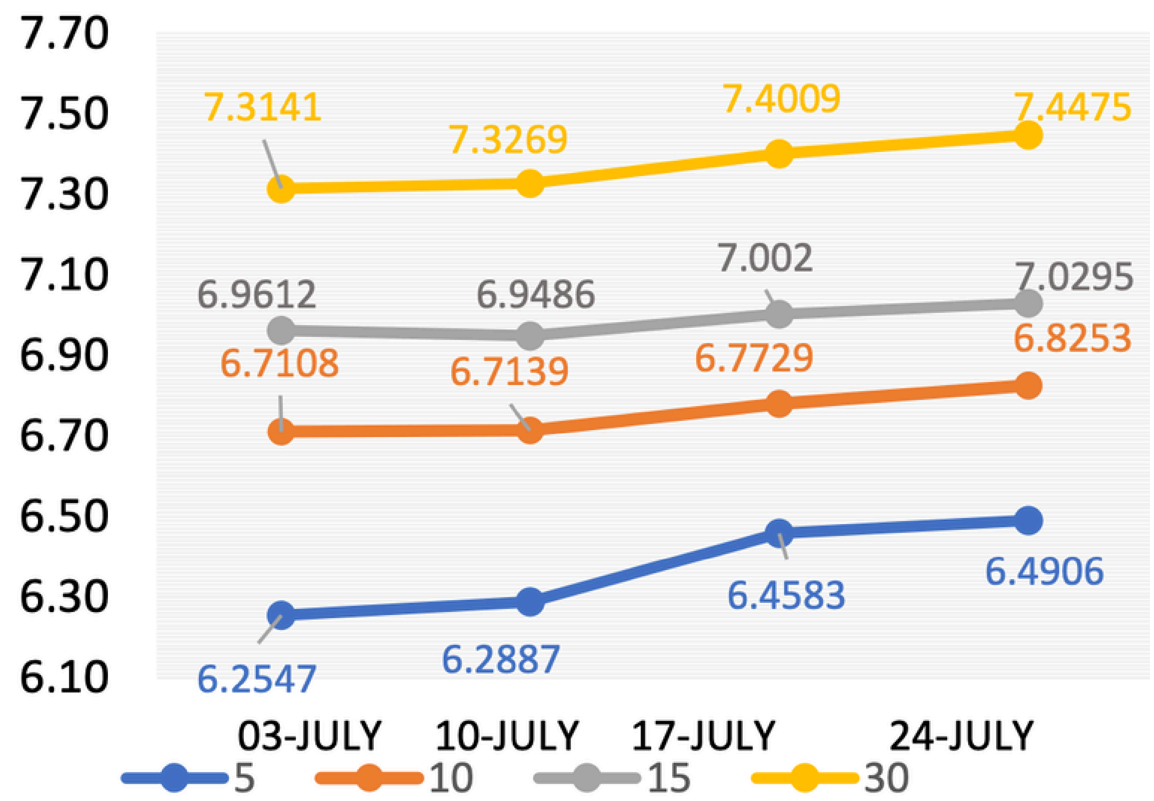
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 26th July 2026

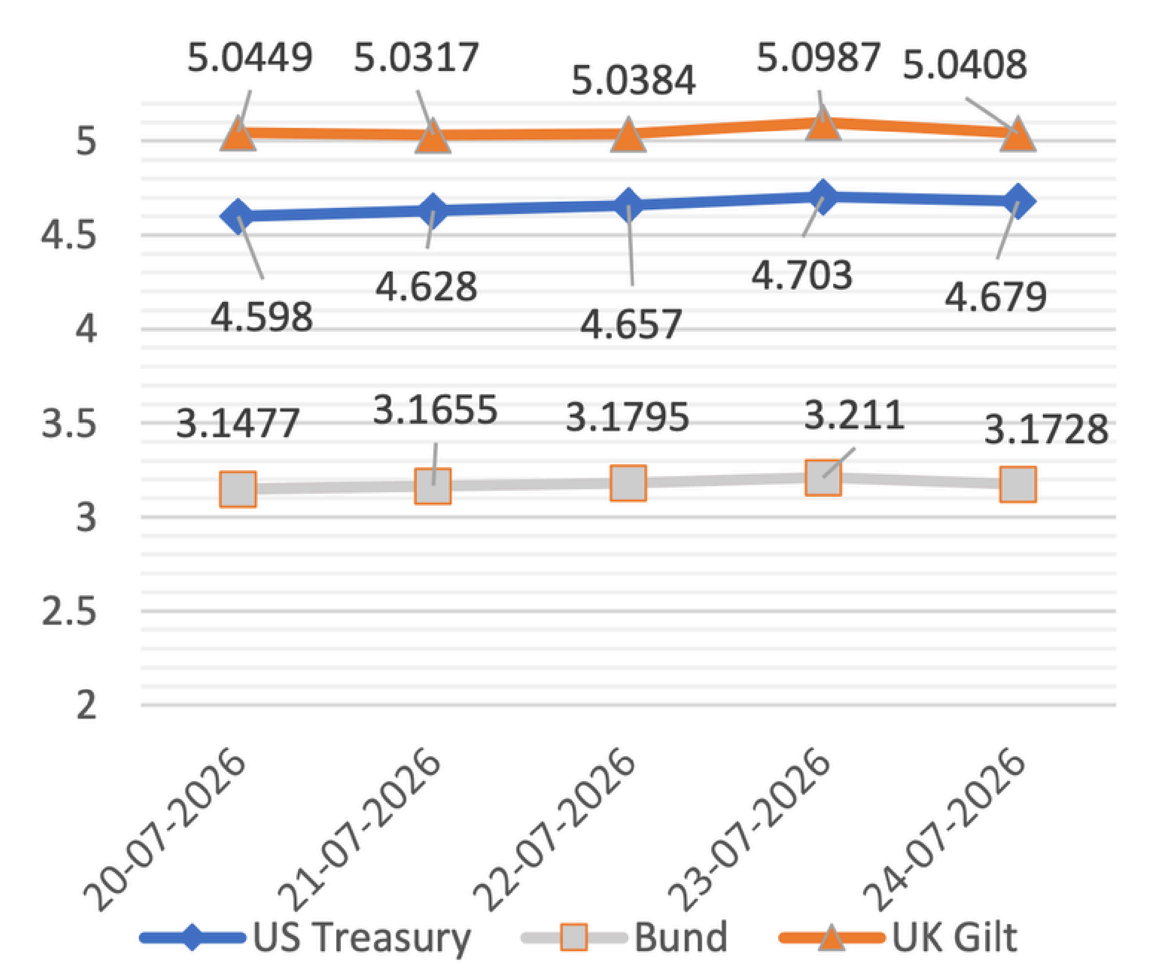
Market Overview

MARKETS	20 JULY	21 JUN	22 JULY	23 JULY	24 JULY
USD/INR	96.45	96.24	96.57	96.578	96.568
OIL	89.22	91.01	94.07	100.69	96.78
GOLD	4015	4076	4151	4050	4070
India 10 Y	6.777	6.7938	6.8012	6.8413	6.8253
US 10 Y	4.598	4.628	4.657	4.703	4.679
NIFTY 50	24241	24192	23991	23871	23786
SENSEX	77716	77473	76749	76389	76142

INDIA BOND YIELD (%)



KEY 10-YR YIELDS (%)



Key headlines from the week:

The 10-year benchmark (6.94% GS 2036) yield concluded the week at 6.8253 at 4.54 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (4.54 bps above), 10Y UST (13 bps below), 10Y Bund (5 bps above), and 10Y UKT (7 bps above).

Eurozone construction output increased by 1.2% year-on-year in May 2026, marking the highest level in seven months, following a downwardly revised 0.2% gain in the previous month.

The number of payrolled employees in the UK decreased by 4 thousand to 30.3 million in June 2026, following an upwardly revised increase of 3 thousand in May.

Japanese investors sold a net of 714.4 billion yen of foreign bonds for the week ending on July 18, after buying a slightly downwardly revised net of 1,090 billion yen in the previous week.

The Bank of Russia cut its policy rate by 25bps to 14.0% in its July 2026 decision, to extend its cutting cycle since the rate was at a record high of 21% up to June of last year.

The European Central Bank left its key interest rates unchanged at its July meeting, following a 25-basis-point increase in June, the first-rate hike in three years, driven by rising energy prices and persistent inflationary pressures.

Foreign direct investment into China fell by 5% annually in the first half of 2026, easing from the 8.6% decline in the first five months of the year. Despite extending three-year streak of year-to-date declines in FDI, it was the smallest since little after the streak began in July of 2026.

+91-98114395495 www.sovereignglobal.in

SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 26th July 2026

Liquidity Operation by RBI

DATE	VRR	MSF	SDF
JULY 13	-	5964	155296
JULY 14	-	201	159077
JULY 15	-	5598	146366
JULY 16	18425	5741	117446
JULY 17	75819	107	157598
JULY 18	-	1437	165462

AVERAGE DAILY TURNOVER

Item	Week Ended		
	JULY 18. 2025	JULY 10. 2026	JULY 17. 2026
	01	02	03
Call Money	28444	35692	35459
Notice Money	7685	1986	10784
Triparty Repo	788486	784342	933914
Market Repo	750243	586702	717480
Repo in Corporate Bond	9722	26697	30176

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
REC LIMITED SR 247 A 6.87 BD 31MY30 FVRS1LAC	7.5245	99.881
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	8.0000	100.636
SOLAPUR YEDESHI TOLLWAY LIMITED 8.65 NCD 20SP27 FVRS10LAC	8.6900	99.6164
NTPC LIMITED SR-62 7.58BD 23AG26 FVRS10LAC UPTO23OT16	7.4510	99.7427

Indian Market update:

India's HSBC Composite PMI fell to 54.3 in July from a final 57.1 in the prior month, flash data showed. It was the lowest reading since March 2022, reflecting the impact of persistent hostilities in the Middle East on business activity. Services sector growth slowed sharply while factory output accelerated.

ICICI Bank successfully issued a five-year dollar bond worth $1 billion, achieving a notably tighter spread. This offering stands as the largest for an Indian bank in almost fourteen years. With a coupon set at 100 basis points above U.S. Treasuries, it surpassed initial expectations. The offering utilized the central bank's cost-effective hedging facility for international fundraising and drew $3 billion in bids against a base of $500 million.

Foreign inflows into Indian government securities have begun to slow down. This moderation follows a strong surge in June driven by index inclusion expectations. Narrowing yield spreads between India and the US are now a key factor. Concerns over rupee weakness and delayed index decisions also contribute. Investors are reassessing the attractiveness of rupee-denominated assets.

The Reserve Bank of India accepted less than half of its notified amount. This occurred during a switch auction held on Monday. Traders indicated bids exceeded the central bank's comfort level. The RBI accepted ₹14,497 crore out of ₹30,000 crore notified. Bond switches help the government manage near-term and long-term debt redemptions.

UPCOMING AUCTIONS

28TH JULY – RBI announced the SDL auction, in which 07 states will be raising aggregating to 18,100 crores.

29THJULY – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 9,000, 8000, & 7000 crores respectively.

+91-98114395495 www.sovereignglobal.in

INR – DOLLAR EXCHANGE

DATE	20 JULY	21 JULY	22 JULY	23 JULY	24 JULY
OPEN	95.4	95.4	96.3	96.5	96.6
HIGH	95.5	96.4	96.5	96.5	96.6
LOW	95.3	95.1	96.2	96.4	96.3
CLOSE	95.4	95.2	96.5	96.5	96.5

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	2.40	2.15
JAPAN	1.00	0.75

KEY EVENTS

DATE	Yield (%)
20- JULY	CHINA INDUSTRIAL PROFIT, EA M3 MONEY SUPPLY, US DURABLE GOODS OFFER, US 3-MONTH AND 6-MONTH BILL AUCTION,
21- JULY	INDIA INDUSTRIAL PRODUCTION, INDIA MANUFACTURING PRODUCTION, US ADP EMPLOYMENT CHANGE, US BALANCE OF TRADES
22- JULY	US FED RATE DECCISION, SINGAPORE CPI, AUSTRALIA PPI
23- JULY	JAPAN FOREIGN BOND INVESTMENT, JAPAN 2-YEAR GJB, EA GDP, EA UNEMPLOYMENT RATE, US INITIAL JOBLESS, US PCE, US GDP SALES
24- JULY	JAPAN UNEMPLOYMENT RATE, BOJ INTEREST RATE DECISSION, FRANCE PPI, EA CPI, INDIA FOREX RESERVE, US EMPLOYMENT COST, RUSSIA M2 MONEY SUPPLY,INDIA BUDGET VALUE

Currency Movement:

On Thursday, the Indian rupee hovered close to a two-month low, influenced by potential intervention from the central bank to counteract rising oil prices. Brent crude oil approached the $100 per barrel mark following recent Houthi attacks, raising fears about India's economic stability. Considering these developments, investors have increasingly taken short positions against the rupee due to the mounting risks.

The Reserve Bank of India sold $6.1 billion in foreign exchange during May. This intervention occurred as oil prices surged, pushing the rupee to a record low. The central bank also implemented policy measures to encourage dollar inflows into India.

Foreign Exchange Reserves in India increased to 676240 USD Million in July 17 from 675160 USD Million in the previous week. Foreign Exchange Reserves in India averaged 319481.64 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.

Key updates and week ahead:

Central Banks & Big Tech Earnings Drive Markets: The Federal Reserve, Bank of England, and Bank of Japan are all expected to keep interest rates unchanged, but markets will closely analyse policymakers' guidance for clues on the timing of future rate moves.

Key Growth & Inflation Data: In Europe, attention will centre on Eurozone Q2 GDP, flash July inflation, and unemployment data, while Germany's Ifo Business Climate Index will provide additional insight into business confidence and the region's growth outlook.

China Policy Outlook & Asia-Pacific Data: Markets will closely watch China's Politburo meeting for policy signals aimed at supporting economic growth, alongside the country's official PMI surveys and industrial profits. In Japan, the BoJ policy meeting, Tokyo CPI, and industrial production data will be key indicators of future tightening prospects.