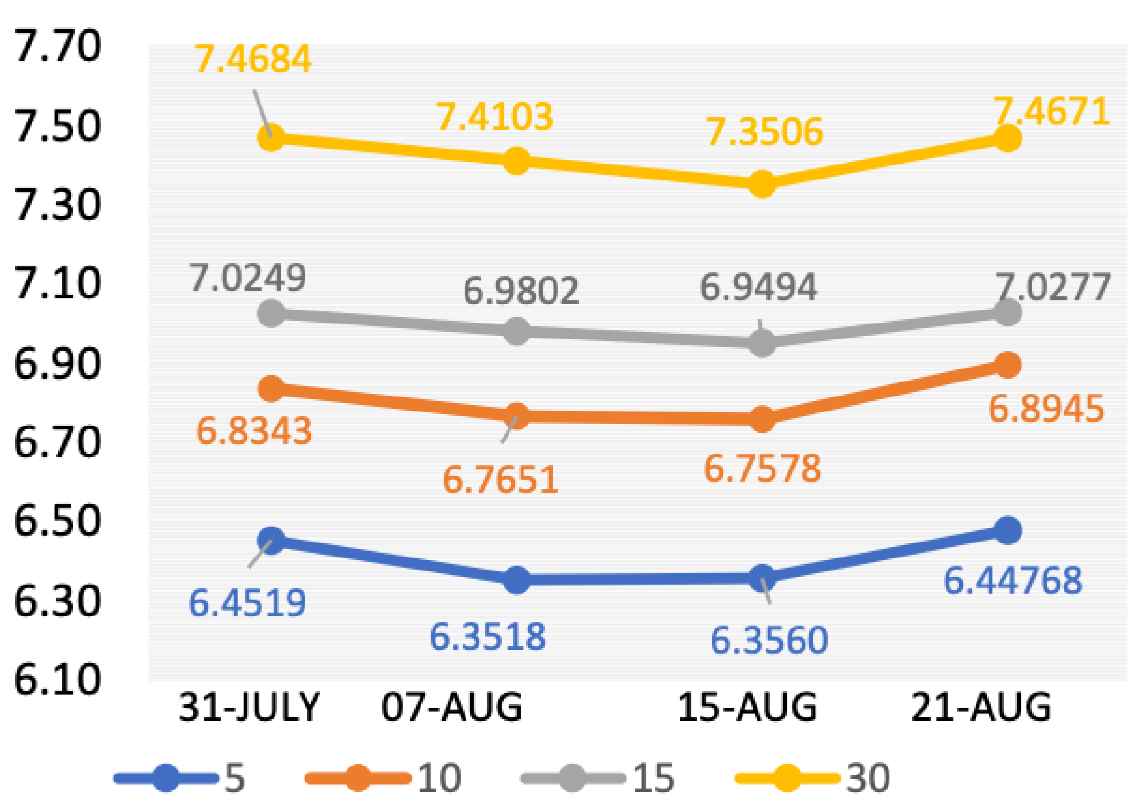
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 22nd August July 2026

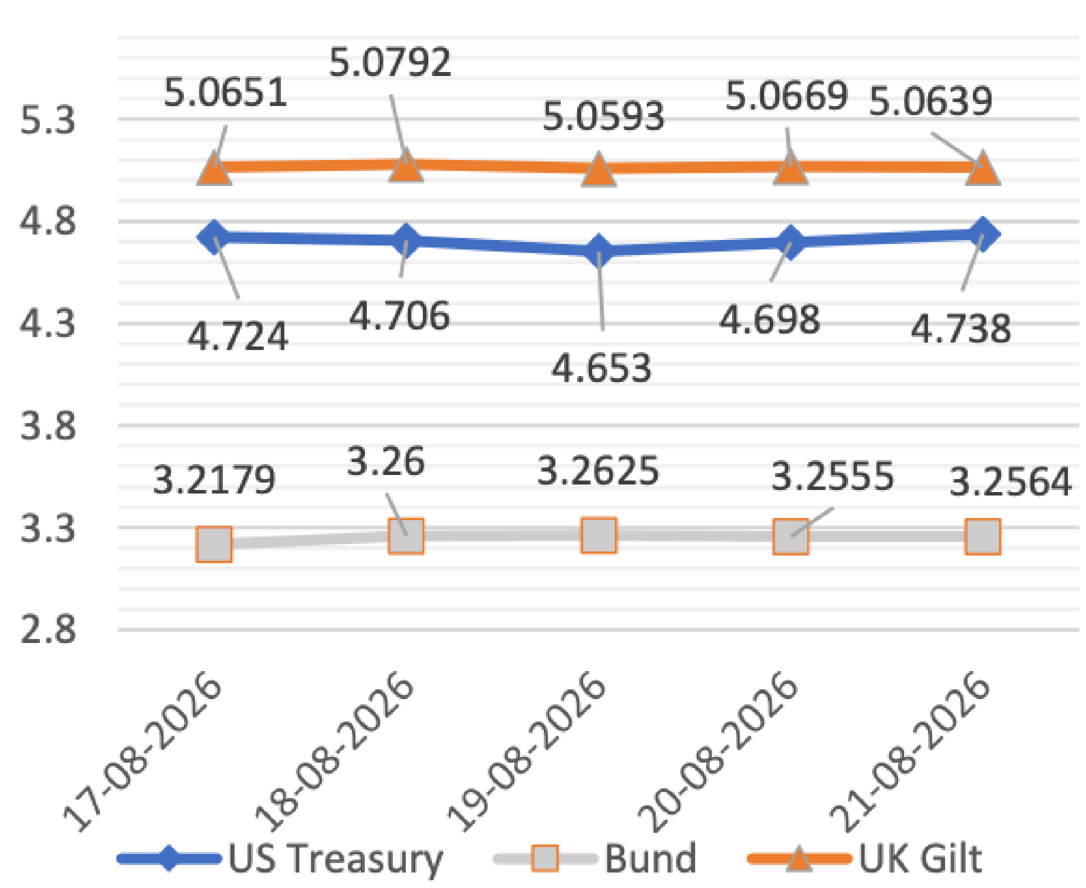
MARKET OVERVIEW

	17 AUG	18 AUG	19 AUG	20 AUG	21 AUG
USD/INR	95.61	95.685	95.758	95.710	95.700
OIL	90.87	91.02	91.62	93.78	94.39
GOLD	4473	4420	4545	4571	4680
India 10 Y	6.8071	6.8269	6.8170	6.8709	6.8495
US 10 Y	4.724	4.706	4.653	4.698	4.738
NIFTY 50	24287	24154	24078	24231	24252
SENSEX	77728	77235	76909	77537	77540

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 6.8495 at 13.67 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (13.67 bps above), 10Y UST (2 bps above), 10Y Bund (4 bps above), and 10Y UKT (6 bps above).

On a monthly basis, consumer prices in the UK increased 0.3% in July 2026, matching market forecasts and following a 0.1% rise in the previous month. Inflation Rate MoM in the United Kingdom averaged 0.24 percent from 1988 until 2026, reaching an all time high of 3.50 percent in April of 1991 and a record low of -1.00 percent in January of 2000.

The yield on Japan 1 Year Bond Yield eased to 1.41% on August 19, 2026, marking a 0.01 percentage points decrease from the previous session. Over the past month, the yield has edged up by 0.23 points and is 0.75 points higher than a year ago.

Consumer prices in the Euro Area increased 0.2% from the previous month in July 2026, as expected, after a 0.1% decrease in June. Inflation Rate MoM in the Euro Area averaged 0.19 percent from 1990 until 2026, reaching an all time high of 2.40 percent in March of 2022.

Japan's core consumer price index, which excludes fresh food but includes energy, increased 1.8% year-on-year in July 2026, following a 1.6% rise in June. It was the highest core inflation rate since January, in line with market forecasts. Still, the latest reading remained below the Bank of Japan's 2% target for a seventh straight month, as government fuel subsidies helped offset price pressures from higher oil costs linked to the Middle East conflict.

Liquidity Operation by RBI

DATE	VRR	MSF	SDF
AUG 10	154481	2852	178366
AUG 11	81701	560	168358
AUG 12	53845	596	161637
AUG 13	80170	595	146133
AUG 14	80235	2090	234284
AUG 15	-	174	229326

AVERAGE DAILY TURNOVER

Item	Week Ended		
	AUG 15. 2025	JULY 07. 2026	AUG 14. 2026
	01	02	03
Call Money	24392	23227	30467
Notice Money	8303	1673	2848
Triparty Repo	803167	729400	819180
Market Repo	794301	593094	679161
Repo in Corporate Bond	11835	27320	30064

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	99.5788	7.613
TATA CAPITAL HOUSING FINANCE LIMITED SR C 7.79 NCD 18JU30 FVRS1LAC	7.7704	100.0000
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED SR A 7.23 BD 18JL29 FVRS1LAC	7.2500	99.9085
REC LIMITED SR 253 7.38 BD 28FB29 FVRS1LAC	7.4765	99.7693

Indian Market update:

IIndia's HSBC Composite Flash PMI edged up to 54.6 in August 2026 from a final 54.3 in the previous month, which had marked the lowest reading since March 2022. Services growth strengthened, offsetting the weakest factory output in five years. New orders rose marginally, staying below recent trends, while export demand remained solid, with firms citing stronger orders from the US, Germany, China, Singapore, and Japan.

ICICI Bank has taken a significant step by doubling its overseas borrowing limit to five billion dollars. This strategic decision enhances the bank's ability to tap into international fundraising avenues. Following the closure of a previous swap facility, Indian banks are ramping up efforts, eyeing to collectively secure at least five billion dollars through loans and bonds. So far, ICICI has successfully raised over two billion dollars in dollardenominated debt.

In July, foreign investment in local bonds throughout Asia waned, despite a broader global appetite for emerging market debt. Elevated energy prices and economic downturns rendered the region less appealing. While India and South Korea recorded positive inflows, Malaysia and Thailand faced a retreat.

IDFC First Bank raised $500 million through its first international bond issuance, marking its entry into global debt markets. The three-year bonds carry a 5.625% coupon and mature in 2029. Backed by an investment-grade S&P rating, the issue attracted major global investors, diversifying the bank's funding sources and supporting long-term expansion

UPCOMING AUCTIONS

25THAUGUST – RBI announced the SDLauction, in which07 states will be raising aggregating to 20,100 crores.

27THAUGUST – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 9,000, 8000, & 7000 crores respectively.

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INR – DOLLAR EXCHANGE

DATE	17 AUG	18 AUG	19 AUG	20 AUG	21 AUG
OPEN	95.4	95.6	95.4	95.5	95.7
HIGH	95.6	95.6	95.7	95.7	95.7
LOW	95.4	95.6	95.6	95.5	95.6
CLOSE	95.6	95.6	95.7	95.7	95.7

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 (%)
24- AUG	KOREA 5-YR KTB AUCTION, SINGAPORE CORE INFLATION, US 3-MONTH BILL AUCTION
25- AUG	US ADP EMPLOYMENT CHANGE, GERMANY GDP GROWTH RATE, AUSTRALIA RBA POLICY MINUTES, GREAT BRITAN GILT AUCTION, US MONEY SUPPLY
26- AUG	AUSTRALIA CPI, INFLATION RATE, INDIA M3 MONEY SUPPLY, US CORE PCE INDEX, US GDP GROWTH RATE, GERMANY 15-YEAR BUND AUCTION
27- AUG	CHINA INDUSTRIAL PROFIT, FRANCE PPI, US INITIAL JOBLESS CLAIM, US WHOLESALE INVENTORIES
28- AUG	JAPAN UNEMPLOYMENT RATE, INDIA INDUSTRIAL PRODUCTION, US NONFARM PAYROLL, US JACKSONHOLE SYMPOSIUM

Currency Movement:

The Indian rupee exhibited stability on Friday, though it faced a weekly decrease. Factors such as increasing oil prices and apprehensions about supply disruptions played a role in its performance. The Reserve Bank of India's timely intervention helped prevent any serious decline against the dollar. Meanwhile, substantial foreign currency inflows enhance the central bank's ability to intervene, providing stability to the rupee amidst subdued volatility.

New foreign trade policy amendments will ease exporter invoicing and payments in Indian rupees. This move promotes rupee internationalization and offers exporters greater flexibility and certainty. Indian industry welcomes the government's efforts to modernize the foreign trade framework. Rupee export proceeds will now qualify for foreign trade policy benefits.

Key updates and week ahead:

Americas: The Jackson Hole Symposium and Fed Chair Warsh’s speech will be the key market catalyst, particularly for signals on long-term yields and monetary policy.

Europe: The ECB meeting accounts will offer clues on the policy outlook following the June rate hike and July pause. Germany’s Ifo and GfK surveys will gauge business and consumer confidence, while preliminary August inflation data from France and Spain will be closely watched. Germany and France will also release updated Q2 GDP, alongside labour-market and broader sentiment indicators.

Asia-Pacific: China’s NPC Standing Committee meeting (Aug 25–28) could signal additional policy support amid weak economic data, while industrial profits will provide insight into corporate conditions. Japan’s unemployment, Tokyo CPI and consumer confidence will be key. Australia will release RBA minutes, inflation and Q2 spending/capex data, while Thailand and South Korea are expected to hold rates and the Philippines could hike 25 bps to 5% amid persistent inflation pressures.