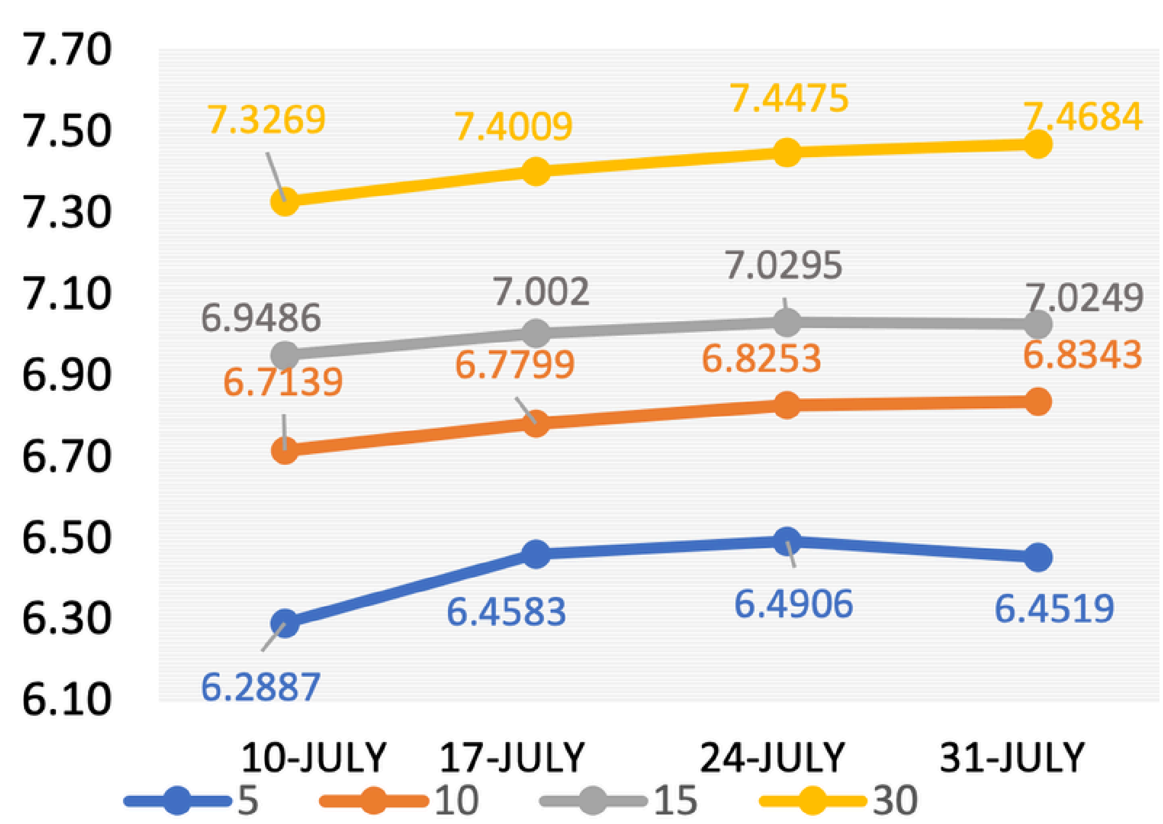
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 1st August July 2026

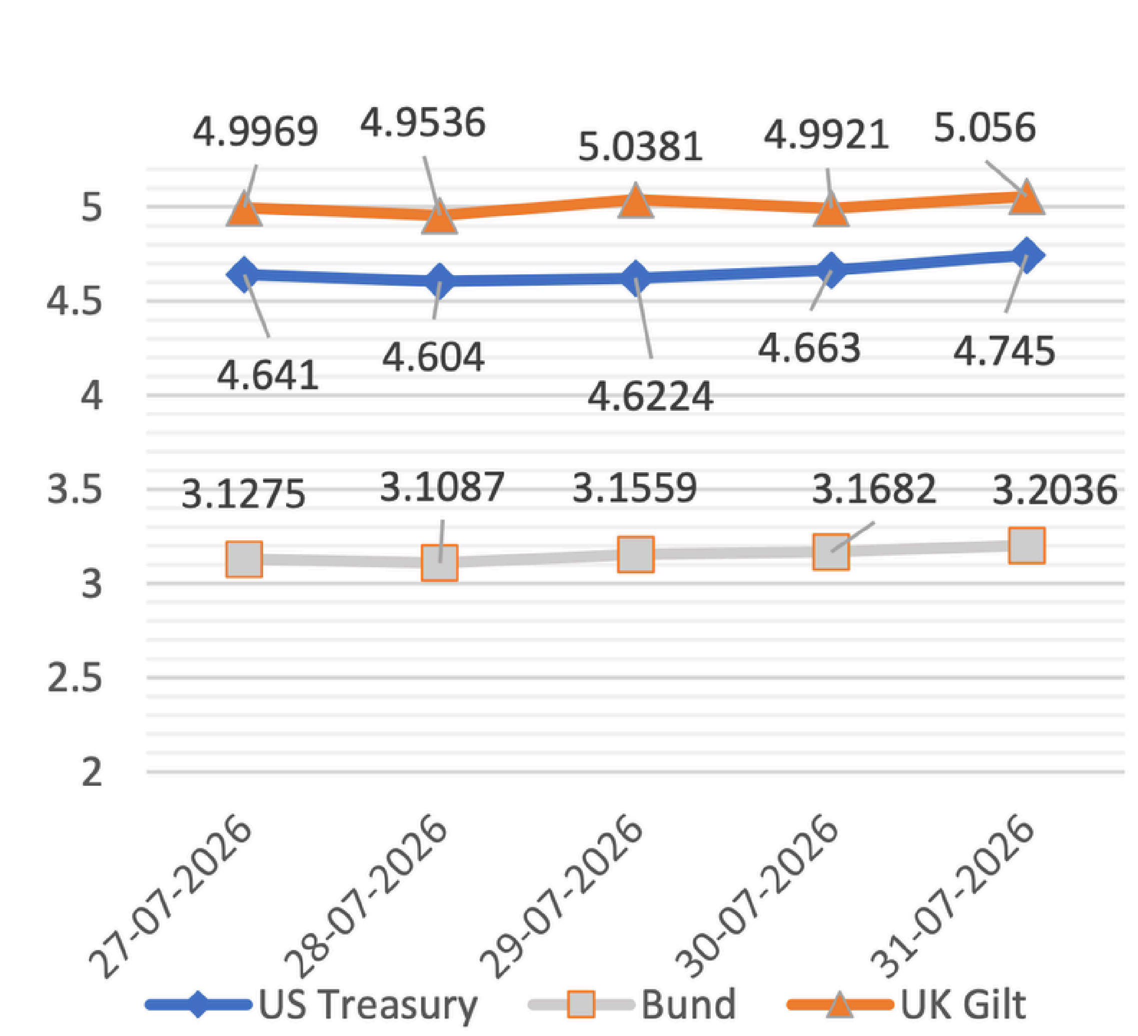
Market Overview

MARKETS	27 JULY	28 JUN	29 JULY	30 JULY	31 JULY
USD/INR	95.915	95.858	95.653	95.685	95.39
OIL	85.87	82.08	88.09	86.88	87.93
GOLD	4077	4039	4097	4160	4107
India 10 Y	6.7739	6.7774	6.7694	6.8132	6.8343
US 10 Y	4.641	4.604	4.622	4.663	4.745
NIFTY 50	24002	23987	24241	24296	24366
SENSEX	76844	76748	77632	77835	78038

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 6.8343 at 0.90 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (0.90 bps above), 10Y UST (7 bps below), 10Y Bund (3 bps above), and 10Y UKT (1 bps above).

In a move consistent with expectations, the Bank of England has kept interest rates steady at 3.75 percent. They noted domestic conditions are helping to alleviate inflationary pressures. Following this update, there were minor decreases in UK bond yields and the pound. Inflation is anticipated to climb to 3.2 percent later this year while the FTSE 100 stock index saw an uptick on Thursday.

The Bank of Japan kept its short-term policy rate unchanged at 1.0% at its July 2026 meeting, leaving borrowing costs at their highest level since September 1995 after raising the rate by 25bps in June, as the board warned that underlying inflation could exceed the 2% target.

The Federal Reserve left the federal funds rate unchanged at 3.50%–3.75% for a fifth consecutive meeting in July 2026, in line with expectations, despite markets assigning roughly a one-in-three probability to a rate hike.

Japanese investors sold a net of 811.4 billion yen of foreign bonds for the week ending on July 25, after selling a slightly upwardly revised net of 723.7 billion yen in the previous week.

The euro area's broad M3 money supply increased 3.3% year-on-year to €17.61 trillion in June 2026, matching expectations and accelerating slightly from a 3.2% rise in May.

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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
JULY 20	72051	623	153619
JULY 21	34291	54	128594
JULY 22	7200	216	129551
JULY 23	-	483	185102
JULY 24	-	55	178417
JULY 25	-	60	174417

AVERAGE DAILY TURNOVER

Item	Week Ended		
	JULY 25. 2025	JULY 17. 2026	JULY 24. 2026
	01	02	03
Call Money	29057	3549	28494
Notice Money	1620	10784	1302
Triparty Repo	682533	933194	787371
Market Repo	61007	717480	600969
Repo in Corporate Bond	9721	31076	26608

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27A 7.16 BD 14DC29 FVRS1LAC	7.2300	99.822
BAJAJ HOUSING FINANCE LIMITED 7.53 NCD 28SP29 FVRS1LAC	7.5357	100.065
POWER FINANCE CORPORATION LIMITED SR 251A 6.27 BD 15JL27 FVRS1LAC	7.3500	99.0346

Indian Market update:

State Bank of India raised Rs 4,691 crore through Basel III-compliant Additional Tier 1 bonds at a 7.75% annual coupon. The issue received bids exceedingly twice the base size, reflecting strong demand from institutional investors across multiple domestic financial segments.

Global hedge funds are on track for an exceptional year, surpassing previous performance benchmarks. In the first half of the year, the average return reached seven percent, well above the historical average. With rising investor interest, nearly half of the investors are looking to increase their hedge fund commitments.

Tata Power's board has given the green light to raise funds up to Rs 4,500 crore through debt securities, aimed at refinancing existing loans and various other needs. This initiative will see the company issue non-convertible debentures or alternative debt instruments via private placement.

Indian government bonds experienced a significant surge early this week. This rise followed a sharp decline in crude oil prices over the weekend. The easing oil prices offered immediate relief to the bond market.

NTPC's board approved raising Rs 12,000 crore via non-convertible debentures. The company's group installed capacity grew to 90,904 MW by June 2026.

UPCOMING AUCTIONS

04THAUGUST – RBI announced the SDLauction, in which17 states will be raising aggregating to 26,850 crores.

05THAUGUST – 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	27 JULY	28 JULY	29 JULY	30 JULY	31 JULY
OPEN	96.1	95.9	95.7	95.5	95.3
HIGH	96.2	95.9	95.7	95.7	95.4
LOW	95.7	95.6	95.4	95.5	95.2
CLOSE	95.9	95.8	95.6	95.6	95.3

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	INDIA HSBC MANUFACTURING PMI, US ISM MANUFACTURING PMI, CHINA MANU. PMI
21- JULY	JAPAN 10 YEAR BOND AUCTION, GERMANY 2-YEAR SCHATZ AUCTION, US BALANCE OF TRADES, US FACTORY ORDERS, US 52- WEEK BILL AUCTION.
22- JULY	INDIA RBI INTYERST RATE DECISSION, GERMANY 10&30 YEAR BOND AUCTION, US ADP EMPLOYMENT CHANGE
23- JULY	JAPAN FOREIGN BOND INVESTMENT, JAPAN 30-YAER JGB AUCTION, US INITIAL JOBLESS CLAIM, US WHOLESALE INVENT.
24- JULY	CHINA BALANCE OF TRADDES, INDIA FOREX, US EMPLOYMENT RATES, US NON-FARM PAYROLL, FRANCE INFLATION

Currency Movement:

The Indian rupee closed at 95.38 on Friday, strengthening significantly. Persistent Reserve Bank of India interventions and lower oil prices aided this currency gain. The local unit traded within a narrow range during the trading session. A weaker dollar index also contributed to the rupee's upward movement.

The Indian rupee finished Friday on a strong note, marking its most significant weekly increase since March, thanks to continuous support from the central bank amidst a weakening dollar. Heightened tensions in the Middle East have driven oil prices upward, influencing the rupee's monthly trends.

Foreign Exchange Reserves in India increased to 682350 USD Million in July 24 from 676240 USD Million in the previous week. Foreign Exchange Reserves in India averaged 319731.72 USD Million from 1998 until 2026, reaching an all-time high of 728490 USD Million in February.

Key updates and week ahead:

US Jobs, Fed Outlook & Earnings: Markets will focus on the July US employment report, with payrolls expected to rebound to 91K while unemployment edges up to 4.3%. Stronger-than-expected jobs data could reinforce expectations of a September Fed rate hike. Investors will also watch ISM PMIs, JOLTS, ADP employment, and trade data.

Europe – Growth Indicators & Corporate Results: Attention will centre on Germany's trade, industrial production, factory orders, and retail sales, along with Eurozone retail sales and July PMIs, to assess the region's economic momentum. Markets will also monitor Turkey's inflation and earnings from major European companies.

Asia-Pacific – China, RBI & Regional Data: Investors will track China's private PMIs, trade, and inflation for signs of economic resilience, while the RBI is expected to keep rates unchanged amid persistent inflation and geopolitical uncertainty. Additional focus will be on BoJ meeting minutes, Japan's wage growth