



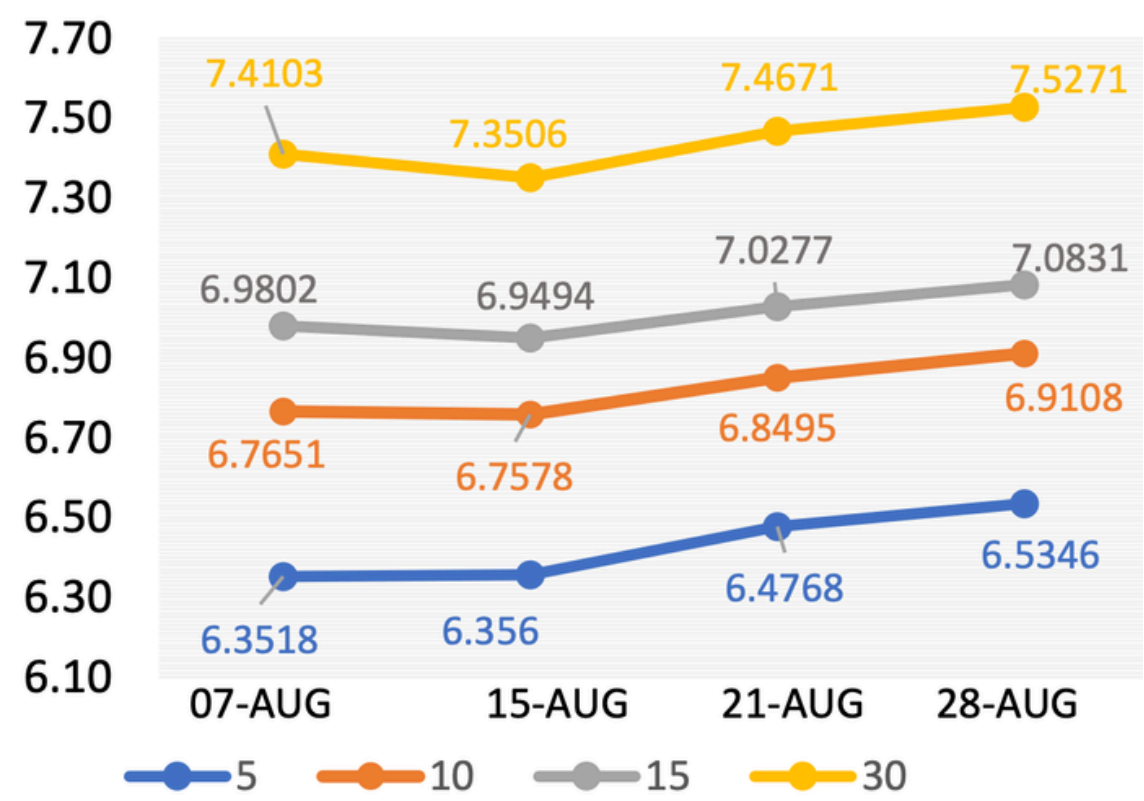
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 30th August July 2026

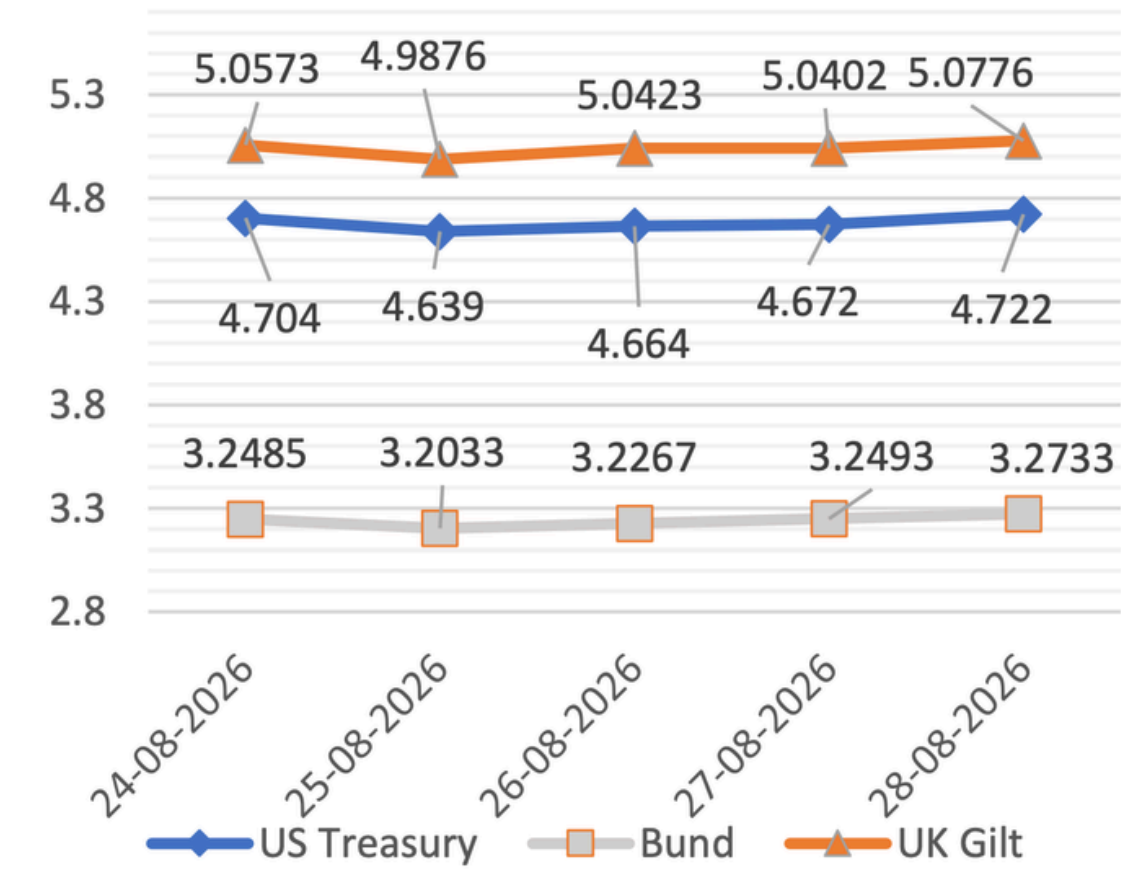
MARKET OVERVIEW

	24 AUG	25 AUG	26 AUG	27 AUG	28 AUG
USD/INR	95.75	95.417	95.425	95.545	95.380
OIL	90.54	87.27	86.94	88.52	88.1
GOLD	4697	4694	4653	4664	4529
India 10 Y	6.8708	6.8488	-	6.8901	6.9108
US 10 Y	4.704	4.639	4.664	4.672	4.722
NIFTY 50	24219	24335	24207	24090	24175
SENSEX	77370	77656	77665	76933	77264

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 6.9108 at 6.13 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (6.13 bps above), 10Y UST (1 bps below), 10Y Bund (2 bps above), and 10Y UKT (1 bps above).

The number of people claiming unemployment benefits in the US fell by 4,000 to 203,000 on the third week of August, below market expectations that they would rise to 208,000, holding the trend of low claim counts since dropping to the near 60-year low of 189,000 in the middle of July. Meanwhile, continuing claims, a gauge of outstanding unemployment in the US, fell by 18,000 to 1,778,000 in the earlier period, also below expectations.

US wholesale inventories rose by 1.3% monthover-month to \$959.1 billion in July 2026, after an upwardly revised 0.3% increase in June and largely surpassing the expected 0.1% gain, advance data showed. This marked the sixth consecutive month of growth in wholesale inventories and the strongest since March. On a yearly basis, wholesale inventories advanced by 5.7%.

French domestic producer prices rose 1.1% month-on-month in July 2026, rebounding from a revised 0.4% decline in June. Prices of manufactured products increased 0.7%, following a 0.6% drop in the previous month.

This year, Japanese bond exchange traded funds have experienced an unprecedented surge in inflows, driven by increasing government bond yields that enhance the appeal of Japan's debt for investors. t.



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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
AUG 17	195859	47	176657
AUG 18	119383	57	182609
AUG 19	125825	71	156077
AUG 20	150045	43	110597
AUG 21	95970	226	154839
AUG 22	-	4413	160047

AVERAGE DAILY TURNOVER

Item	Week Ended		
	AUG 22. 2025	JULY 14. 2026	AUG 21. 2026
	01	02	03
Call Money	29137	30467	26163
Notice Money	1821	2848	1562
Triparty Repo	706895	819810	892537
Market Repo	664441	679161	706412
Repo in Corporate Bond	11865	30064	28756

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRSILAC	99.5788	7.613
JSW ENERGY LIMITED TR I 8.75 NCD 20MR28 FVRSILAC	7.7704	100.0000
RURAL ELECTRIFICATION CORPORATION LIMITED SR 218 B 7.69 BD 31JN33 FVRSILAC	7.2500	99.9085
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 168 B 7.65 BD 18AP33 FVRSILAC	7.4765	99.7693

Indian Market update:

Union Bank of India has made a significant move by raising six hundred million dollars through the sale of bonds, which include three-year and fiveyear notes at appealing interest rates. This event is particularly notable as it represents the bank's first public dollar bond sale in more than ten years.

The Reserve Bank of India has announced a buyback of government securities amounting to Rs 30,000 crore, targeting those set to mature in the fiscal year 2027. This strategic decision aims to alleviate the impending redemption pressure, as over Rs 6 lakh crore in securities are approaching maturity. The buyback is scheduled for September 3.

ICICI Bank is set to raise one billion dollars through the issuance of five-year bonds, marking its fourth bond sale this month. With over three billion dollars already raised via the RBI window, this move contributes to the collective bond issuance of over ten billion dollars by Indian banks. This funding initiative is aimed at bolstering their lending and investment activities.

India is set to roll out tokenised corporate bonds next month, utilizing blockchain technology to facilitate immediate transaction settlements. The state-owned REC will be at the forefront of issuing these innovative bonds, which will require investors to possess both digital currency and securities wallets.

Industrial production in India expanded by 6.7% from the previous year in July of 2026, slowing from the upwardly revised, over two-year high of 8.8% in June, but ahead of market expectations of 6%.

UPCOMING AUCTIONS

01ST SEPTEMBER – RBI announced the SDL auction, in which 15 states will be raising aggregating to 27000 crores.

02ND SEPTEMBER – 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	24 AUG	25 AUG	26 AUG	27 AUG	28 AUG
OPEN	95.6	95.7	95.4	95.4	95.5
HIGH	95.7	95.7	95.4	95.5	95.5
LOW	95.6	95.4	95.4	95.4	95.5
CLOSE	95.7	95.4	95.4	95.5	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 (%)
31- AUG	KOREA INDUSTRIAL PRODUCTION, JAPAN INDUSTRIAL PRODUCTION, INDIA GDP GROWTH RATE
01- SEPT	JAPAN 10-YEAR JGB AUCTION, INDIA HSBC MANUFACTURING INDEX, EA UNEMPLOYMENT RATE, INDIA CURRENT ACCOUNTS, US ISM MANUFACTURING PMI
02- SEPT	KOREA INFLATION RATE, US ADP EMPLOYMENT CHANGE, RUSSIA UNEMPLOYMENT RATE, EU 12, 3 & 6-MONTH BILL AUCTION
03- SEPT	JAPAN FOREIGN BOND INVESTMENT, AUSTRALIA BOND INVESTMENT, JAPAN 30-YEAR JGB AUCTION, INDIA HSBC PMI
04- SEPT	KOREA FOREX RESERVE, INDIA FOREX RESERVE, US GOVERNMENT PAYROLL, US NON-FARM PAYROLL

Currency Movement:

Foreign exchange reserves held at the Reserve Bank of India rose to a record high of \$729.33 billion equivalent as of July 21st, 2026, following a large magnitude of dollar inflows to the Indian financial system. The RBI introduced special deposit programs for domestic banks by overseas Indian citizens in its latest effort to tame the rupee's decline. The measures garnered \$74 billion of inflows since the introduction of the facilities. Foreign exchange reserves had plunged since March as the war in the Middle East lifted oil prices and pressured the rupee, driving the RBI to sell hard currency to defend local exchange rates.

Money Supply M3 in India decreased to 316464.26 INR Billion in the week ending July 15 from 318876.95 INR Billion two weeks before. Money Supply M3 in India averaged 59351.96 INR Billion from 1951 until 2026, reaching an all time high of 322945.03 INR Billion in August of 2026 and a record low of 20.57 INR Billion in October of 1952.

Key updates and week ahead:

Americas: The key focus will be the US August employment report, with payrolls expected to rise by just 45K, unemployment to 4.2%, and wage growth to 0.2% MoM, keeping Fed rate expectations in focus. ISM PMIs, JOLTS, ADP and the Fed Beige Book will provide additional signals on economic momentum and monetary policy.

Europe: August inflation dominates, with Eurozone headline CPI expected to accelerate to 3.2%, its highest since September 2023, while Germany's inflation is forecast at 2.9%. Higher-than-expected readings from Spain and France raise concerns over renewed price pressures.

Asia-Pacific: China's official and private August PMIs will gauge whether economic activity is stabilizing. India's Q2 GDP is expected to moderate to 7.1% from 7.8%, while Australia's Q2 GDP and trade data will be key. Across the region, inflation, trade and PMI releases will provide broader growth signals, with New Zealand expected to hike 25 bps to 2.75%, while Malaysia is expected to hold at 2.75%.

