



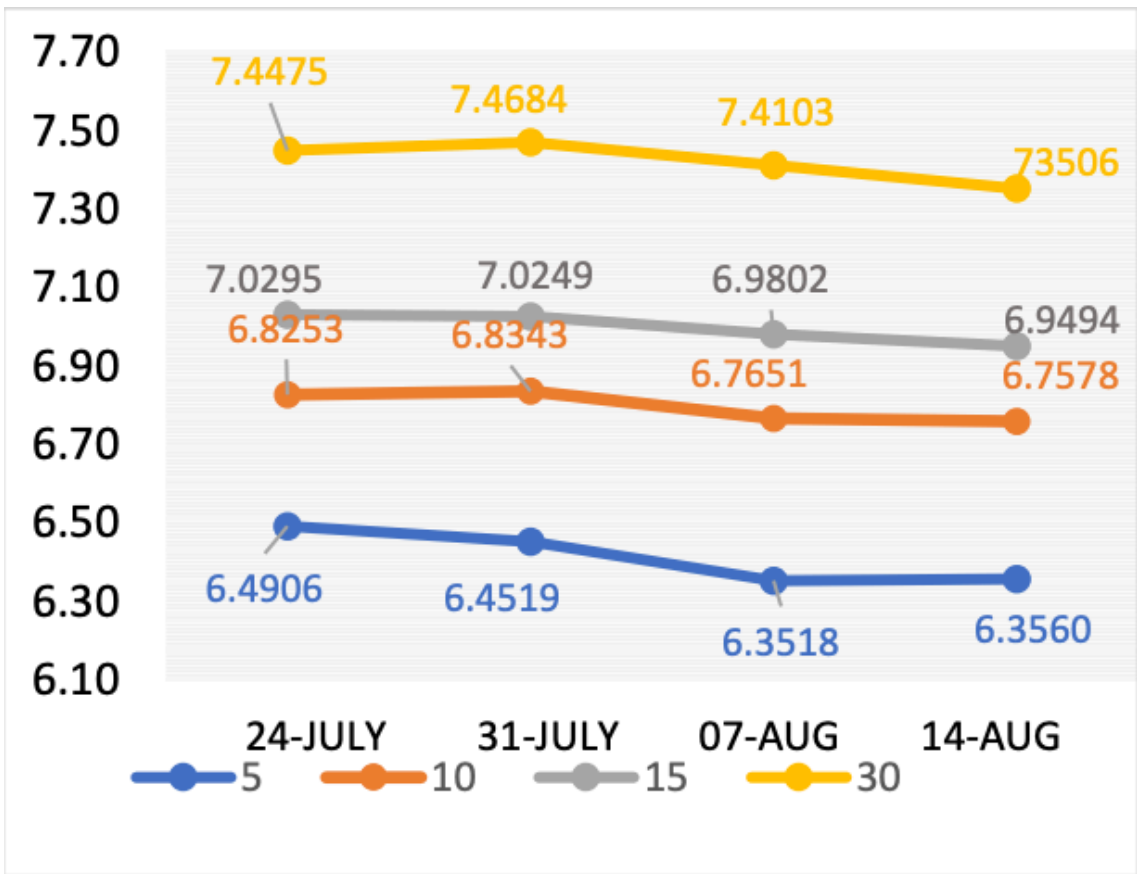
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 16TH August July 2026

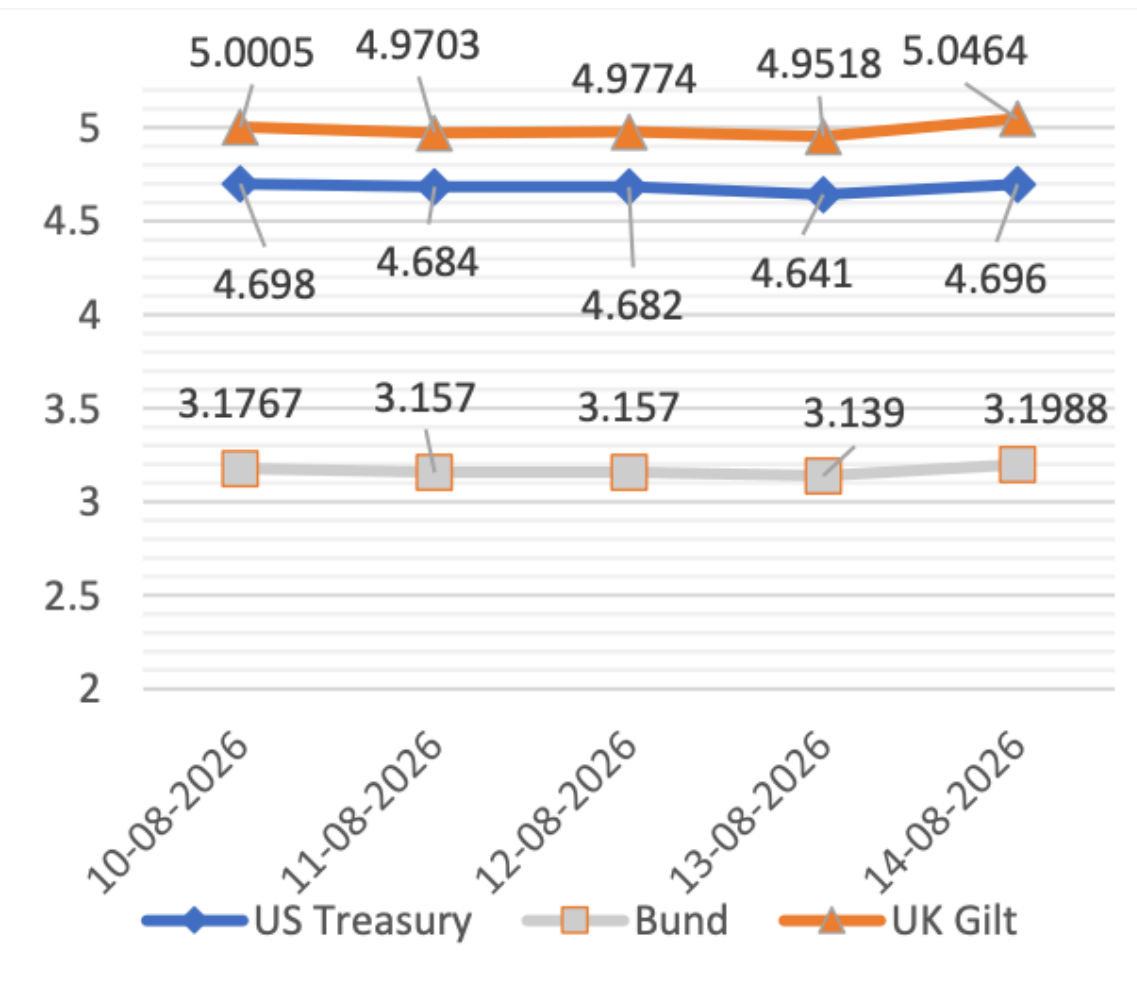
MARKET OVERVIEW

	10 AUG	10 AUG	10 AUG	10 AUG	10 AUG
USD/INR	95.305	65.440	95.340	95.450	95.450
OIL	87.72	88.91	88.98	87.07	88.52
GOLD	4419	4441	4467	4420	4437
India 10 Y	6.7643	6.7787	6.7776	6.7582	6.7578
US 10 Y	4.698	4.684	4.682	4.641	4.696
NIFTY 50	24583	24471	24435	24395	24366
SENSEX	78542	78154	77966	78079	78009

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 0.73 bps below the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (0.73 bps below), 10Y UST (4 bps above), 10Y Bund (7 bps below), and 10Y UKT (12 bps above).

The Euro Area recorded a trade surplus of €8.6 billion in June 2026, up from €4.8 billion in June 2025 and better than market expectations of a €2.2 billion gap. This was the largest monthly trade surplus since February, as goods exports surged by 14.4% to an over one-year high of €272.5 billion while imports rose at a slower 13.1% to €264 billion.

Japanese investors bought a net of 1,629.4 billion yen of foreign bonds for the week ending on August 8, marking the biggest inflow in three months after buying a net of 477.9 billion yen in the previous week.

Germany's annual inflation rate accelerated to 2.8% in July 2026, confirming preliminary estimates, up from 2.3% in June.

South Korea's seasonally adjusted unemployment rate rose to 2.8% in July 2026 from 2.7% in the previous month.

The yield on Germany 30 Year Bond Yield eased to 3.65% on August 12, 2026, marking a 0.01 percentage points decrease from the previous session.

The average 30-year fixed mortgage rate for loans of up to \$806,500 in the US edged down 4bps to 6.77% in the week ended August 7, 2026, from 6.81% in the previous week, which marked the highest level in a year, according to the Mortgage Bankers Association..



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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
AUG 03	-	640	257461
AUG 04	-	345	345717
AUG 05	-	171	355172
AUG 06	-	3686	245409
AUG 07	-	586	230555
AUG 08	-	938	226203

AVERAGE DAILY TURNOVER

Item	Week Ended		
	AUG 08. 2025	JULY 31. 2026	AUG 07. 2026
	01	02	03
Call Money	27991	26827	23227
Notice Money	1487	7408	1673
Triparty Repo	659645	962549	729400
Market Repo	658871	746074	593094
Repo in Corporate Bond	12377	26734	27320

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
REC LIMITED SR 257 TR A 7.28 BD 31AG29 FVRSILAC	7.2667	100.000
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.68 BD 10AG27 FVRSILAC	7.3500	100.2962
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24A 7.5 BD 31AU26 FVRSILAC	6.4500	100.0273

Indian Market update:

India’s wholesale prices increased 9.78% yoy in July 2026, slowing from a 9.87% gain in June, which was the fastest increase since September 2022 and below expectations of 9.95%. It was the softest increase since April, due to softer rises in fuel prices.

The Securities and Exchange Board of India (Sebi) has introduced a mandatory Credit Risk-o-Meter for debt securities, aiming to enhance investor awareness regarding credit risk. This user-friendly tool features a standardized, colour-coded scale, similar to those used in mutual funds. Issuers and online platforms are required to showcase this meter in relevant documents, with public feedback on the proposal expected by September 3.

The headline inflation rate in India rose to 4.45% in July of 2026 from 4.38% in the previous month, the highest since December of 2024, and aligned with market expectations of 4.5%. The increase reflected fresh inflationary pressures from the surge in energy prices since the outbreak of war in the Middle East, magnified by the consequent pressure on the rupee. Still, the rate remained comfortably within the RBI's tolerance range of 2 percentage points away from 4%.

India’s trade deficit widened to \$31.98 billion in July 2026, up from \$27.5 billion in the same month of the previous year and surpassing market forecasts of \$30.2 billion. It was the largest trade shortfall since January, as imports surged by 17.5% annually to an all-time high of \$76.2 billion, partly reflecting higher oil, fuel, and coal prices amid fresh hostilities in the Middle East.

UPCOMING AUCTIONS

18THAUGUST – RBI announced the SDLauction, in which12 states will be raising aggregating to 20,200 crores.

19THAUGUST – 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	10 AUG	11 AUG	12 AUG	13 AUG	14 AUG
OPEN	96.1	95.3	95.4	95.3	95.4
HIGH	95.3	95.4	95.4	95.4	95.4
LOW	95.1	95.3	94.2	95.3	95.3
CLOSE	95.3	95.4	95.3	95.4	95.4

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 (%)
10- AUG	JAPAN GDP GROWTH, CHINA INDUSTRIAL PRODUCTION, CHINA UNEMPLOYMENT RATE, JAPAN INDUSTRIAL
11- AUG	USA FOREIGN BOND INVESTMENT, BRITAN UNEMPLOYMENT RATE, USA ADP EMPLOYMENT CHANGE, US INDUSTRIAL PRODUCTION
12- AUG	GB INFLATION RATE, GB PPI CORE, EA CURRENT ACCOUNTS. US FOMC MINUTES, US 20-YEAR BOND AUCTION
13- AUG	US INITIAL JOBLESS CLAIM, INDIA INFRASTRUTURE OUTPUT, CHINA LOAN PRIME RATE, CANADA PPI, JAPAN 20-YEAR BOND AUCTION
14- AUG	JAPAN INFLATION RATE, KOREA PPI, INDIA HSBC COMPOSITE, INDIA BANK LOAN GROWTH RATE, INDIA FOREX, US FED BALANCE SHEETS

Currency Movement:

Foreign Exchange Reserves in India increased to 707000 USD Million in August 7 from 692870 USD Million in the previous week. Foreign Exchange Reserves in India averaged 320255.05 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.

The Indian rupee remained stable on Thursday, closing near its previous level. Dollar sales by the Reserve Bank of India kept the local unit within a tight range. Demand from maturing forwards and debt outflows added pressure to the currency. Traders observed a narrow trading band, anticipating further Reserve Bank of India intervention. One-month implied volatility fell to its lowest point since early March.

The Indian rupee weakened a bit on Thursday, primarily influenced by dollar outflows, with derivative maturities and overseas debt repayments adding to its descent. The central bank's active interventions kept volatility in check this week. Meanwhile, Brent crude oil prices dropped amid diminished global demand, and India's trade deficit climbed to \$31.98 billion as of July.

Key updates and week ahead:

Americas: Markets will focus on FOMC minutes, US PMIs and industrial production, alongside housing data and regional Fed surveys. US yields remain sensitive to Middle East developments, while Canada’s inflation is expected to rise to 3.2%.

Europe: The ECB meeting accounts and flash PMIs will provide clues on growth, inflation and future rate hikes. UK inflation is expected to rise to 2.9%, while unemployment is forecast to ease to 4.8% and wage growth to slow to 4%.

Asia-Pacific: China’s industrial production, retail sales and GDP-related activity data take centre stage, with the PBoC expected to hold LPRs at 3.0%/3.5%. Japan’s Q2 GDP is expected at 0.5% QoQ, while India’s unemployment and PMI data and Indonesia’s 5.75% policy rate decision will be watched.

