



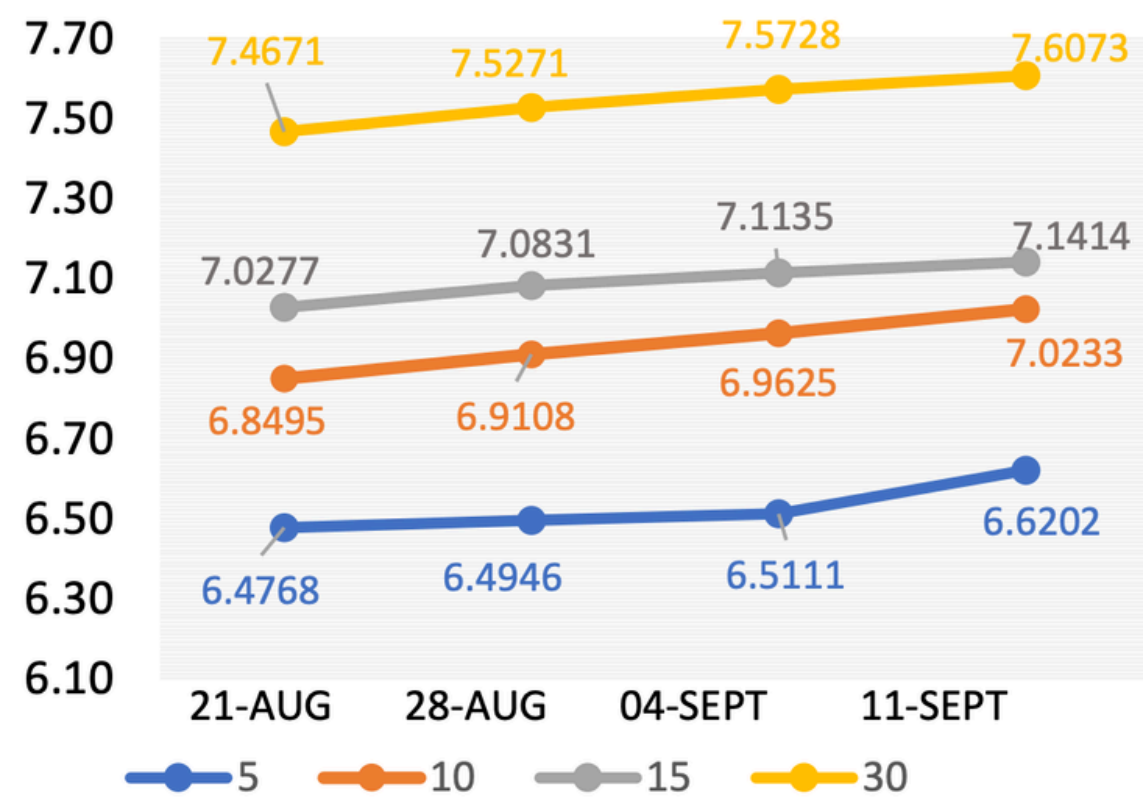
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 13th Sep, 2026

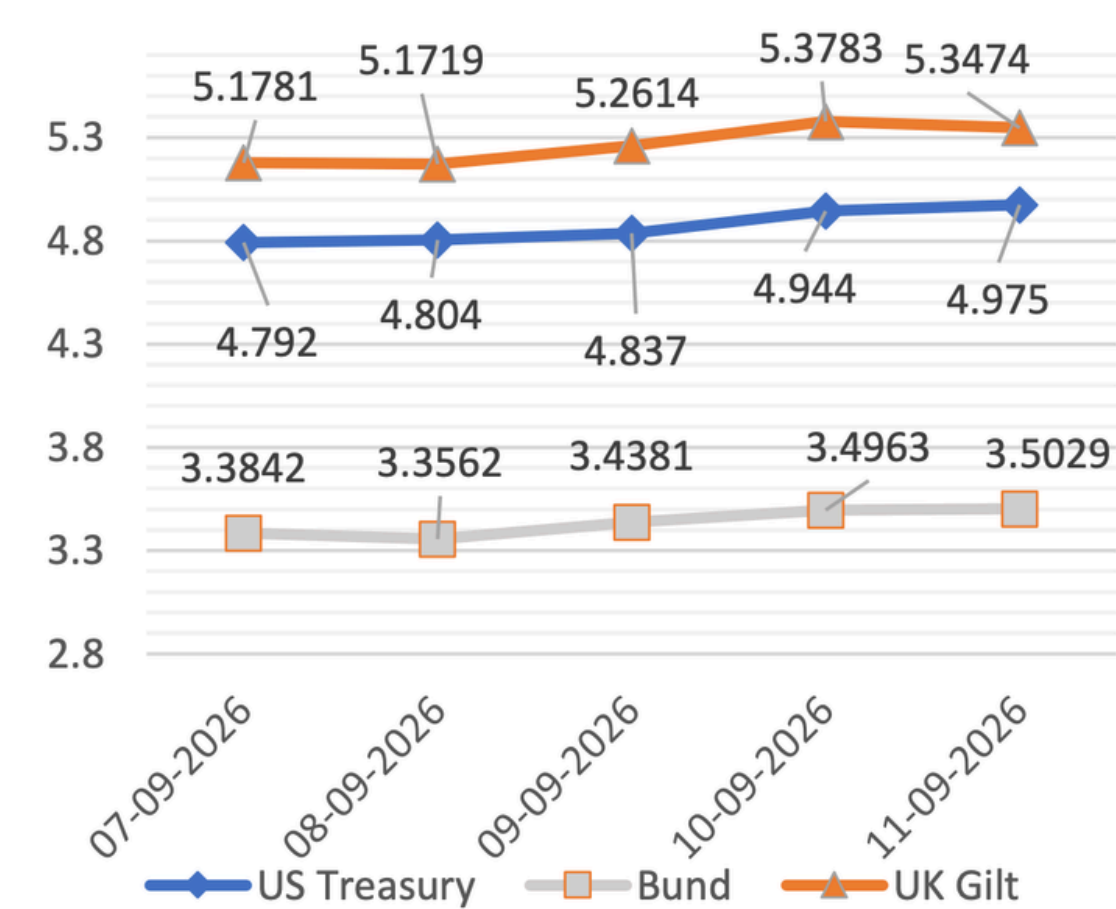
MARKET OVERVIEW

	07 Sep	08 Sep	09 Sep	10 Sep	11 Sep
USD/INR	94.49	94.820	95.110	95.445	95.555
OIL	97	97.92	101.21	107.63	104.61
GOLD	4469	4439	4460	4407	4389
India 10 Y	6.9607	6.9431	6.9568	6.9762	7.0233
US 10 Y	4.792	4.804	4.837	4.944	4.975
NIFTY 50	23779	23635	23431	23477	23398
SENSEX	76132	75577	74764	74902	74781

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 7.0233 at 6.08 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (6.08 bps above), 10Y UST (20 bps above), 10Y Bund (17 bps above), and 10Y UKT (20 bps above).

U.S. Treasury yields saw an upswing on Friday, nearing the 5% milestone, driven by escalating oil prices. This development has prompted traders to heighten their expectations regarding an interest rate increase from the Federal Reserve next week. The surge in oil prices is intensifying inflation worries, which have substantial implications for global bond markets.

The UK economy expanded 0.4% month-onmonth in July 2026, picking up from 0.3% growth in June and defying expectations of stagnation. This marked the strongest expansion since February, as all three main sectors contributed, with services output rising 0.4%, production 0.2% and construction 0.1%.

Japanese investors bought a net of 111.9 billion yen of foreign bonds for the week ending on September 5, after selling a net of 824 billion yen the week before. Foreign Bond Investment in Japan averaged 162.28 JPY Billion from 2005 until 2026, reaching an alltime high of 6790.00 JPY Billion in September of 2021 and a record low of -7827.00 JPY Billion in July of 2021.

The Bank of Russia maintained its policy rate unchanged at 14% at its September 2026 decision, aligned with market expectations, after ten consecutive interest rate cuts since departing from the record-high rate of 21% in May of last year.





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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
AUG 31	384465	551	287776
SEP 01	374166	130	274154
SEP 02	459843	139	267935
SEP 03	553394	123	235571
SEP 04	602394	123	228920
SEP 05	-	113	264113

AVERAGE DAILY TURNOVER

Item	Week Ended		
	SEP 05. 2025	AUG 28. 2026	SEP 04. 2026
	01	02	03
Call Money	20066	23012	14478
Notice Money	7397	9980	4530
Triparty Repo	559054	959564	818164
Market Repo	510321	73771	539078
Repo in Corporate Bond	7895	28284	25912

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
NUVOCO VISTAS CORPORATION LIMITED 7.7 NCD 18SP28 FVRSILAC	8.1864	99.090
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRSILAC	7.7038	99.2537
REC LIMITED SR 253 7.38 BD 28FB29 FVRSILAC	7.5925	99.5277
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VIII 7.68 BD 09JL27 FVRSILAC	7.3604	100.2474

Indian Market update:

Indian government bonds experienced a sharp decline in early trading on Friday. The benchmark ten-year bond yield climbed past seven percent, reaching a three-month high. This downturn occurred as rising oil prices and elevated US Treasury yields impacted investor sentiment. Brent crude oil surpassed one hundred eight dollars per barrel during this period. Simultaneously, the tenyear US Treasury yield hovered around four-point nine seven percent.

Vedanta Resources has secured an additional \$400 million from a recent bond issuance. This new funding brings the company's total raised through these instruments to \$2.15 billion.

RBL Bank has raised \$350 million through its first international bond sale, pricing bonds tighter than initial guidance. Strong investor demand supports funding for GIFT City growth and liability management, while Emirates NBD's backing strengthens credit quality and investor confidence.

The Securities and Exchange Board of India has taken a significant step by relaxing compliance regulations for foreign investors. Foreign Portfolio Investors (FPIs) who are exclusively investing in government securities will no longer be required to disclose their investor group details. This amendment follows a recent circular from the Reserve Bank of India, which abolished concentration limit requirements. The updated rules are in effect immediately, streamlining investment processes.

UPCOMING AUCTIONS

15TH SEPTEMBER – RBI announced the SDL auction, in which 16 states will be raising aggregating to 35,900 crores.

16TH 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	94.3	94.5	94.8	95.1	95.6
HIGH	94.4	94.8	94.2	95.4	95.7
LOW	94.3	94.5	94.8	95.1	95.5
CLOSE	94.4	94.8	94.1	95.4	95.5

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	2.65	2.40
JAPAN	1.00	0.75

KEY EVENTS

DATE	Yield (%)
31- AUG	KOREA 10 YEAR AUCTION, INDIA WPI INFLATION, US 3 MONTH AND 6 MONTH AUCTION
01- SEPT	CHINA UNEMPLOYMENT RATE, BRITAN EMPLOYMENT RATE, FRANCE INFLATION RATE, INDIA UNEMPLOYMENT RATE
02- SEPT	JAPAN BALANCE OF TRADES, BRITAN INFLATION RATE, FED INTEREST RATE DECISSION
03- SEPT	US FOREIGN BOND INVESTMENT, JAPAN FOREIGN BOND INVESTMENT, EA CPI, EA IINFLATION RATEBOE INTTEREST RATE DECISSION, US INITIAL JOBLESS CLAIM
04- SEPT	JAPAN INFLATION RATE, BOJ INTEREST RATE DECISSION, EA CURRENT ACCOUNTS, INDIA FOREX RESERVE, US INDUSTRIAL PRODUCTION

Currency Movement:

Foreign Exchange Reserves in India increased to 785710 USD Million in September 4 from 740800 USD Million in the previous week. Foreign Exchange Reserves in India averaged 321416.16 USD Million from 1998 until 2026, reaching an alltime high of 785710 USD Million in September of 2026 and a record low of 29048 USD Million in September of 1998.

The Indian rupee fell by eleven paise on Friday, closing at 95.55 against the dollar as benchmark crude oil prices rose to \$105 per barrel, fueling global uncertainties. The rupee faced mounting pressure from external factors during the week, with a notable demand for dollars from oil companies and dollar sales from state-run banks. It appears that the Reserve Bank of India stepped in to mitigate further currency depreciation.

Key updates and week ahead:

Americas: The Fed’s September policy meeting will be the key market event, with hotter inflation strengthening expectations of a 25 bps rate hike. August core CPI rose 0.3%, while headline CPI increased 0.4% MoM and 3.4% YoY. Retail sales, industrial production and import prices will provide further signals, with import prices expected to rise 0.2% MoM amid higher energy prices.

Europe: The BoE is expected to hold rates at 3.75%, although markets are nearly fully pricing a November hike and around three further increases by mid-2027. UK inflation will be closely watched, with headline CPI forecast to accelerate to 3.1% and core inflation to 2.7%. The labour market is also expected to soften, with unemployment rising to 5% and wage growth slowing to 3.9%.

Asia-Pacific: China’s August activity data will be important, with industrial production forecast at 4.8%, retail sales at 0.8%, and fixed-asset investment declining 7.1%; new yuan loans are expected at CNY 400bn. Japan’s BoJ is widely expected to hike rates 25 bps to 1.25%, while core inflation is forecast at 1.8% and machinery orders to fall 2.8%. 9

