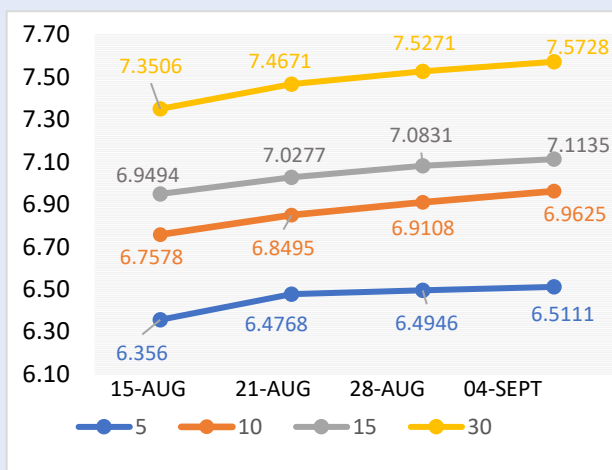


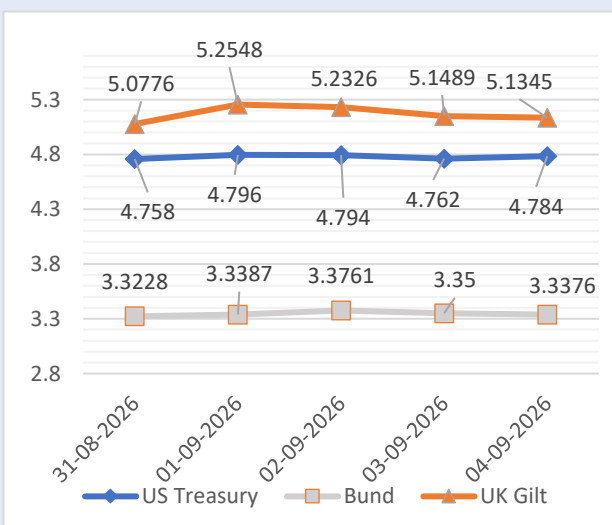
MARKET OVERVIEW

	31 AUG	01 SEP	02 SEP	03 SEP	04 SEP
USD/INR	95.167	94.960	94.975	94.490	94.490
OIL	90.49	94.65	95.63	95.52	96.28
GOLD	4481	4396	4414	4539	4486
India 10 Y	6.9452	6.9581	6.9754	6.9646	6.9625
US 10 Y	4.758	4.796	4.794	4.762	4.782
NIFTY 50	24080	24055	23914	23873	23897
SENSEX	76957	76944	76570	76152	76515

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 6.9625 at **5.17 bps above** the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (5.17 bps above), 10Y UST (2.6 bps above), 10Y Bund (6.43 bps above), and 10Y UKT (6.6 bps above).

Japan's 10-year government bond yield jumped to around 3% on Tuesday, reaching its highest level since 1996 as expectations mounted that the Bank of Japan will raise interest rates this month to address the impact of a weak yen and import-driven inflation.

The core inflation rate in the Eurozone, which excludes energy, food, alcohol, and tobacco, eased to 2.4% in August of 2026 from 2.5% in the previous month.

The Eurozone's seasonally adjusted unemployment rate held at 6.4% in July, matching June's revised reading and slightly above the 6.3% forecast. The number of unemployed was unchanged from June at 11.264 million.

The S&P Global Eurozone Composite PMI came in at 52.0 in August 2026, broadly in line with the preliminary estimate of 52.1 and little changed from July's eight-month high. The latest data point to another solid quarter of growth in Q3, supported by improving industrial activity and a recovery in services following the initial impact of the surge in energy prices at the start of the Middle East conflict.

The US trade deficit narrowed to \$73.3 billion in June 2026 from \$77.6 billion in May, broadly in line with market expectations, as imports declined more sharply than exports.

Liquidity Operation by RBI

Date	VRRR	MSF	SDF
AUG 24	141186	439	230750
AUG 25	98516	284	197310
AUG 26	-	397	1091115
AUG 27	142922	2401	149083
AUG 28	152537	358	249945
AUG 29	-	1905	263990

AVERAGE DAILY TURNOVER

Item	Week Ended		
	AUG 29. 2025	AUG 21. 2026	AUG 28. 2026
	1	2	3
Call Money	27549	26163	23012
Notice Money	10687	1562	9980
Triparty Repo	880736	892537	959564
Market Repo	776484	706412	737712
Repo in Corporate Bond	12741	28756	28284

Most Actively Traded Debt.

Paper	Yield (%)	LTP
SUNDARAM FINANCE LIMITED SR AA2 7.74 NCD 27JL28 FVRS1LAC	7.8000	99.8499
NATIONAL HIGHWAYS INFRA TRUST SR I STRPP B NCD 30JN35 FVRS1LAC	7.9921	52.4100
BAJAJ FINANCE LIMITED 7.93 NCD 12JU29 FVRS1LAC	8.0063	99.7573
REC LIMITED SR 257 TR A 7.28 BD 31AG29 FVRS1LAC	7.5133	99.3806

Indian Market update:

Indian government bond yields remained steady on Friday morning, with traders eyeing an impending debt sale that could reveal market demand. The recent stabilization of oil prices and U.S. Treasury yields is providing some influence on local markets. Banks are strategizing to cope with surplus liquidity, as ongoing global risks and inflation worries cast a shadow over bond market stability.

India will launch tokenized corporate bonds next week using blockchain technology. State-run REC aims to raise five billion rupees through these innovative debt instruments. This marks India's first debt issue with instant settlement capabilities on a blockchain. The Reserve Bank of India's digital currency will facilitate these bond transactions. Only investors with active digital wallets can participate in this upcoming sale.

India's HSBC Composite PMI stood at 54.3 in August 2026, down slightly from the flash reading of 54.6 but unchanged from July's reading. The latest result signalled a solid pace of private-sector growth, although it remained the joint-slowest in 4-1/2 years and below the historical trend.

In an exciting development, Indian shadow lenders are gearing up to raise a substantial sum of at least ten thousand crore rupees in the near future. Power Finance Corporation is set to invite bids for a massive fifty-billion-rupee bond issuance, while Bajaj Housing Finance and HDB Financial Services are also eyeing significant note offerings. Tata Capital and Shriram Finance are in the process of arranging for considerable borrowings.

UPCOMING AUCTIONS

08TH SEPTEMBER – RBI announced the SDL auction, in which 08 states will be raising aggregating to 16,900 crores.

09TH SEPTEMBER – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 9,000, 8000, & 7000 crores respectively.

INR – DOLLAR EXCHANGE

	31 AUG	01 SEP	02 SEP	03 SEP	04 SEP
OPEN	95.4	95.0	94.9	94.3	94.4
HIGH	95.4	95.1	94.9	94.4	94.5
LOW	95.1	94.8	94.8	94.2	94.4
CLOSE	95.1	94.9	94.9	94.4	94.4

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

DATE	EVENTS
07- SEPT	JAPAN FOREX RESERVE, EA GDP GROWTH RATE, RUSSIA FOREX RESERVE, GERMANY 3 MONTH AUCTION, GERMANY 9 MONTH AUCTION
08- SEPT	CHINA BALANCE OF TRADES, JAPAN GDP GROWTH RATE, GERMANY BALANCE OF TRADES, US ADP EMPLOYMENT CHANGE
09- SEPT	CHINA INFLATION RATE, KOREA UNEMPLOYMENT RATE
10- SEPT	US CPI, US PPI, GERMANY INFLATION, JAPAN FOREIGN BOND INVESTMENT, US INITIAL JOBLESS CLAIM, US API CRUDE OIL STOCK EXCHANGE
11- SEPT	JAPAN PPI, GB GDP, INDIA FOREX RESERVE, US CORE INFLATION, RUSSIA INFLATION, RUSSIA GDP, GB INDUSTRIAL PRODUCTION, US MONTHLY STATEMENT

Currency Movement:

Foreign Exchange Reserves in India increased to 740800 USD Million in August 28 from 729330 USD Million in the previous week. Foreign Exchange Reserves in India averaged 321097.28 USD Million from 1998 until 2026, reaching an all time high of 740800 USD Million in August of 2026 and a record low of 29048 USD Million in September of 1998.

India's foreign exchange reserves surged by 11.4 billion US dollars to a record high of 740.8 billion dollars during the week ended 28th of last month. According to the Reserve Bank of India data, Foreign currency assets, the largest component of the reserves, increased by 9.3 billion US dollars to 600.6 billion dollars during the week. Gold reserves added 2.1 billion dollars to 116.4 billion dollars. However, Special Drawing Rights declined by 43 million dollars to 18.8 billion dollars. Country's reserve position with the International Monetary Fund dipped 11 million dollars to 4.9 billion dollars.

Key updates and week ahead:

Americas: US markets will focus on August CPI/PPI ahead of the September Fed meeting, with CPI expected to rise 0.4% MoM and core CPI 0.2%. Producer prices are also forecast to accelerate to 0.3%, while weak consumer sentiment and housing data will provide additional growth signals. Treasury buybacks and corporate earnings will also influence long-term yields and market sentiment.

Europe: The ECB policy decision is the key event, with a 25-bps hike to 2.5% widely expected, followed by close attention to forward guidance. Eurozone Q2 GDP and employment data will provide growth signals, while Germany's industrial production is forecast to rise 0.3%. UK GDP is expected to stagnate in July, with industrial output forecast to rebound 0.1%.

Asia-Pacific: China's trade and inflation data will be closely watched, with CPI expected to accelerate to 0.9% from 0.5%. Japan's revised Q2 GDP, wage growth and PPI will be important, with producer inflation forecast to accelerate sharply to 7.4%.