



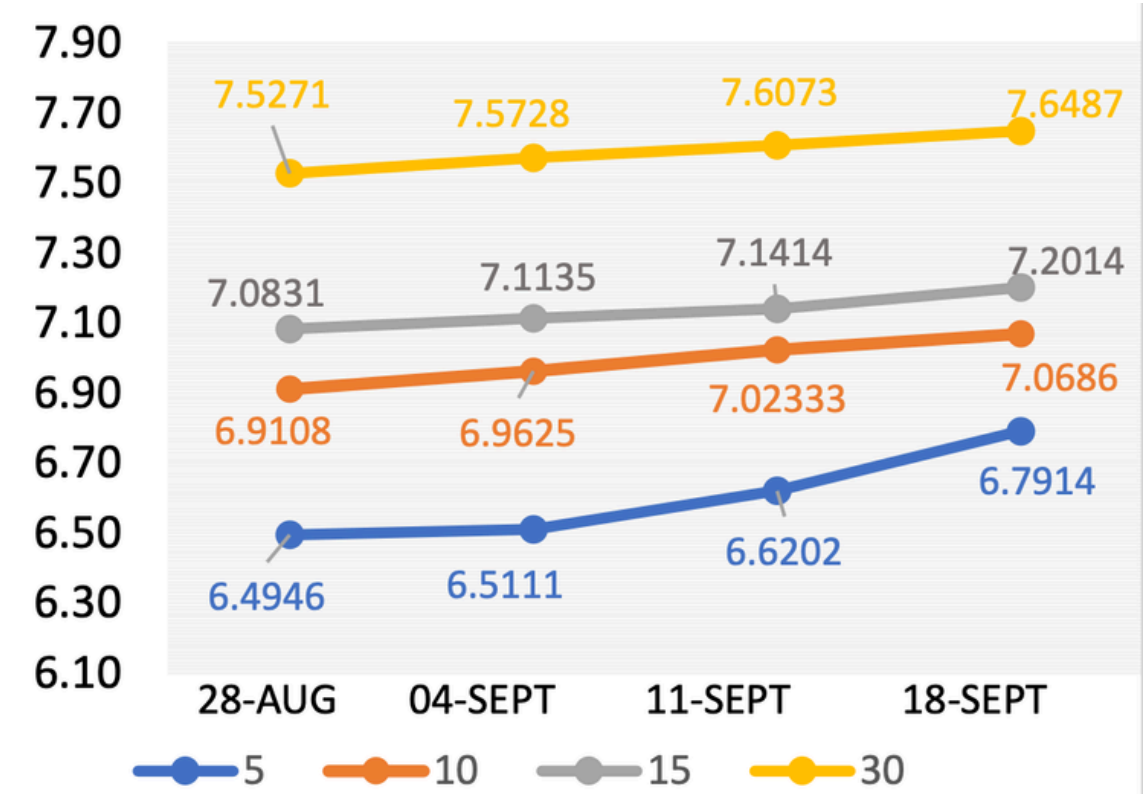
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 20th Sep, 2026

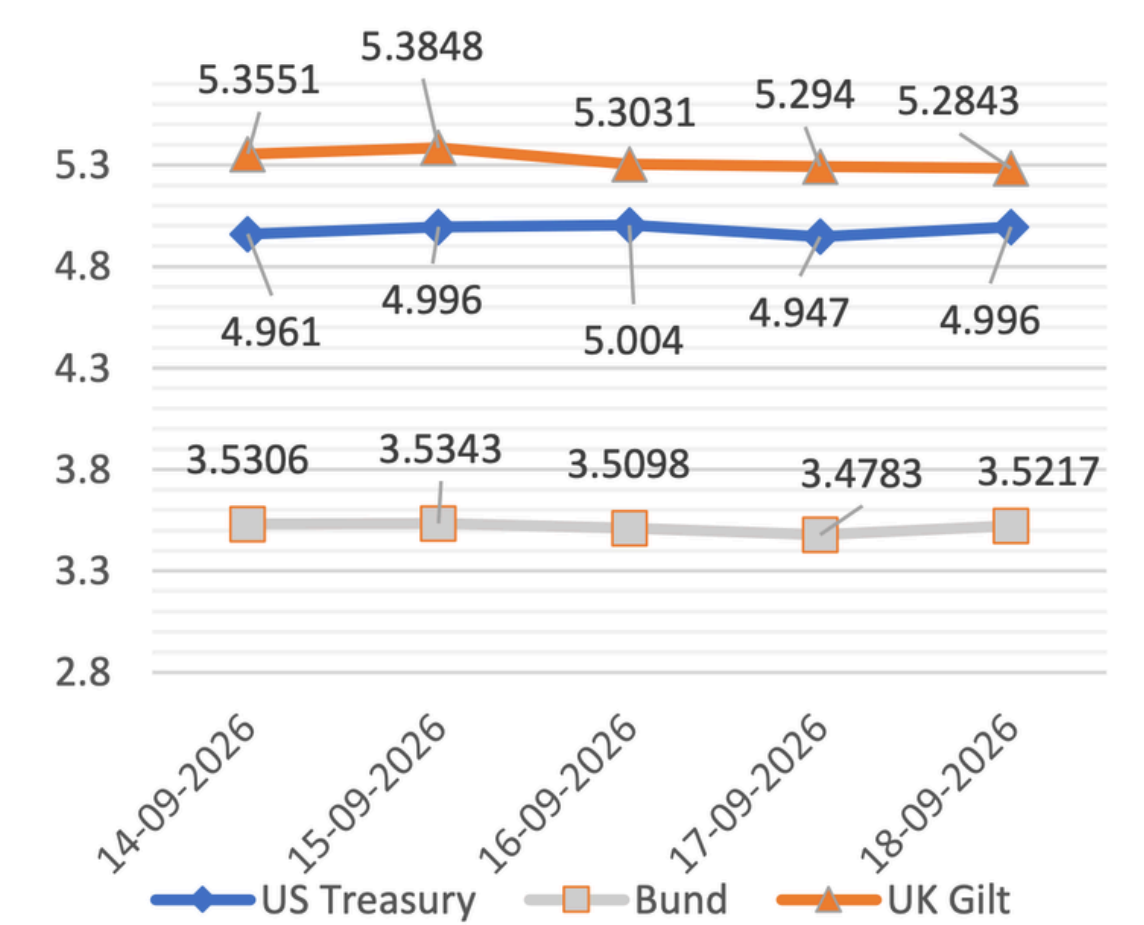
MARKET OVERVIEW

	14 Sep	15 Sep	16 Sep	17 Sep	18 Sep
USD/INR	95.575	5.965	95.965	95.935	95.935
OIL	105.68	108.75	105.83	104.82	103.87
GOLD	4351	4332	4387	4399	4424
India 10 Y	-	7.0727	7.0524	7.0463	7.0686
US 10 Y	4.961	4.996	5.004	4.947	4.996
NIFTY 50	-	23118	23217	23270	23346
SENSEX	-	74003	74336	74314	74294

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 7.0686 at 4.53 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (4.53 bps above), 10Y UST (2 bps above), 10Y Bund (2 bps above), and 10Y UKT (6 bps above).

The Bank of Japan raised its key short-term rate by 25bps to 1.25% in a 7-2 vote at its September meeting, taking borrowing costs to their highest level since April 1995.

The Fed unanimously raised the target range for the federal funds rate by 25bps to 3.75%-4.00% in September 2026 as expected, marking the first-rate hike since 2023. Policymakers noted that inflation remains elevated, and the move aims to support a timelier return to the 2% target.

Net Purchases of US Treasury Bonds and Notes decreased by 3600 million dollars in July of 2026. Foreign Bond Investment in the United States averaged 11169.21 USD Million from 1978 until 2026, reaching an all time high of 175162.00 USD Million in August of 2022 and a record low of -310793.00 USD Million in March of 2020.

The Bank of England's Monetary Policy Committee voted 6-3 to keep Bank Rate unchanged at 3.75% at its September 16, 2026 meeting, in line with market expectations.

The number of people claiming unemployment benefits fell by 10,000 to 196,000 in the second week of September, the least since the 60-year low of 189,000 from July, and well under market expectations of 208,000.



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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
SEP 07	612666	1474	182190
SEP 08	417609	37	242338
SEP 09	461586	148	198055
SEP 10	396694	82	256504
SEP 11	405313	177	277249
SEP 12	-	145	281012

AVERAGE DAILY TURNOVER

Item	Week Ended		
	SEP 12. 2025	SEP 04. 2026	SEP 11. 2026
	01	02	03
Call Money	31808	14478	18803
Notice Money	2775	4530	2234
Triparty Repo	681101	818164	818626
Market Repo	623329	539078	590098
Repo in Corporate Bond	11061	25912	26385

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VI 7.79 BD 14MY27 FVRSILAC	7.5144	100.186
GMR AIRPORTS LIMITED 5 BD 09SP29 FVRSILAC	9.5000	100.6303
INDIAN OIL CORPORATION LIMITED SR XXI 6.14 LOA 18FB27 FVRS10LAC	6.8500	99.6172
INDIAN OIL CORPORATION LIMITED SR XXV 7.44 NCD 25NV27 FVRS10LAC	7.2500	100.1690

Indian Market update:

Indian government bonds maintained a steady performance as traders keenly monitored new debt supply cutoffs. In September, the Reserve Bank of India revealed plans for extensive open market debt sales. These initiatives are intended to absorb excess liquidity while enhancing the transmission of monetary policy. Market participants are also expecting further bond offerings from the central bank in light of anticipated rate increases from both the Federal Reserve and RBI.

The Reserve Bank of India's open market operation sale received robust investor interest. This operation aimed to absorb surplus liquidity from the banking system. The central bank accepted bonds at yields higher than prevailing market rates. This move precedes a significant weekly bond auction scheduled for Friday. Further liquidity absorption measures are planned for the coming week.

The Reserve Bank of India has taken steps to absorb liquidity from the banking sector by selling bonds worth 500 billion rupees. This strategic move included the sale of securities with maturation dates slated between fiscal 2029 and fiscal 2032, marking the first net sale since November 2017.

Domestic bond yields may rise as much as fortyfive basis points. Elevated crude prices and rising inflation expectations weigh on sentiment. The Reserve Bank of India's open market operation sales will increase bond supply. This action drains surplus liquidity from the financial system.

UPCOMING AUCTIONS

22ND SEPTEMBER – RBI announced the SDL auction, in which 07 states will be raising aggregating to 16,750 crores.

23RD 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	14 SEP	15 SEP	16 SEP	17 SEP	18 SEP
OPEN	95.5	95.5	95.9	95.9	95.7
HIGH	95.5	95.9	95.9	96	95.7
LOW	95.5	95.5	95.8	95.8	95.7
CLOSE	95.5	95.9	95.9	95.9	95.9

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.25	5.25
USA	4.00	3.75
UK	3.75	3.75
CHINA	3.00	3.10
EURO AREA	2.65	2.40
JAPAN	1.25	1.00

KEY EVENTS

DATE	Yield (%)
21- SEPT	CHINA LOAN PRIME RATE 1 YEAR, INDIA INFRASTRUCTURE OUTPUT, SINGAPORE EMPLOYMENT RATE
22- SEPT	KOREA 20-YEAR KTB AUCTION, US ADP EMPLOYMENT CHANGE, US MONEY SUPPLY, GB TREASURY GILT AUCTION
23- SEPT	INDIA HSBC COMPOSITE PMI, US 5-YEAR BILL AUCTION, SINGAPORE INFLATION RATE
24- SEPT	AUSTRALIA EMPLOYMENT CHANGE, US INITIAL JOBLESS CLAIMS, US CURRENT ACCOUNT, GB CBI DISTRIBUTIVE DATA
25- SEPT	US FED BALANCE SHEET, FRANCE NON FARM PAYROLL, INDIA FOREX RESERVE, INDIA M3 MONEY SUPPLY, US DURABLE GOODS ORDER, INDIA

Currency Movement:

The Indian rupee strengthened slightly on Thursday after central bank interventions. Oil prices retreated, which also supported bond yields during the trading day. State-run banks actively sold dollars at weaker levels, influencing the currency's movement.

On Friday, the Indian rupee managed to break its losing streak, thanks to active dollar sales by the Reserve Bank of India and a decrease in oil prices. The currency closed at 95.87, reflecting a minor uptick from its previous closing value. Nevertheless, the firm dollar index and ongoing importer demand curtailed major gains, with the rupee down 1.05% so far this fiscal year.

Foreign Exchange Reserves in India decreased to 780780 USD Million in September 11 from 785710 USD Million in the previous week.

Key updates and week ahead:

Americas: US markets will focus on Fed officials' speeches for further guidance following the recent rate hike and Chair Warsh's hawkish tone. August durable goods orders are forecast to fall 0.5% after rising 1.1% in July, while new home sales are expected to remain broadly stable at 0.61mn.

Europe: Flash September PMIs across the Euro Area, Germany, France and the UK will be the key focus, with manufacturing activity expected to remain in expansion and generally strengthen, while services growth is mixed. Germany's Ifo Business Climate Index is expected to rise for a fifth consecutive month to its highest level since April 2024, although consumer sentiment is likely to weaken amid high energy prices and geopolitical tensions.

Asia-Pacific: China's PBoC is expected to keep the 1-year and 5-year LPRs unchanged at 3% and 3.5%, respectively, for a 16th consecutive month, reflecting continued reliance on targeted rather than broad monetary easing. Japan's preliminary September PMIs are expected to show continued strength in manufacturing despite holiday closures. In India, infrastructure output and preliminary PMIs will be the main releases

