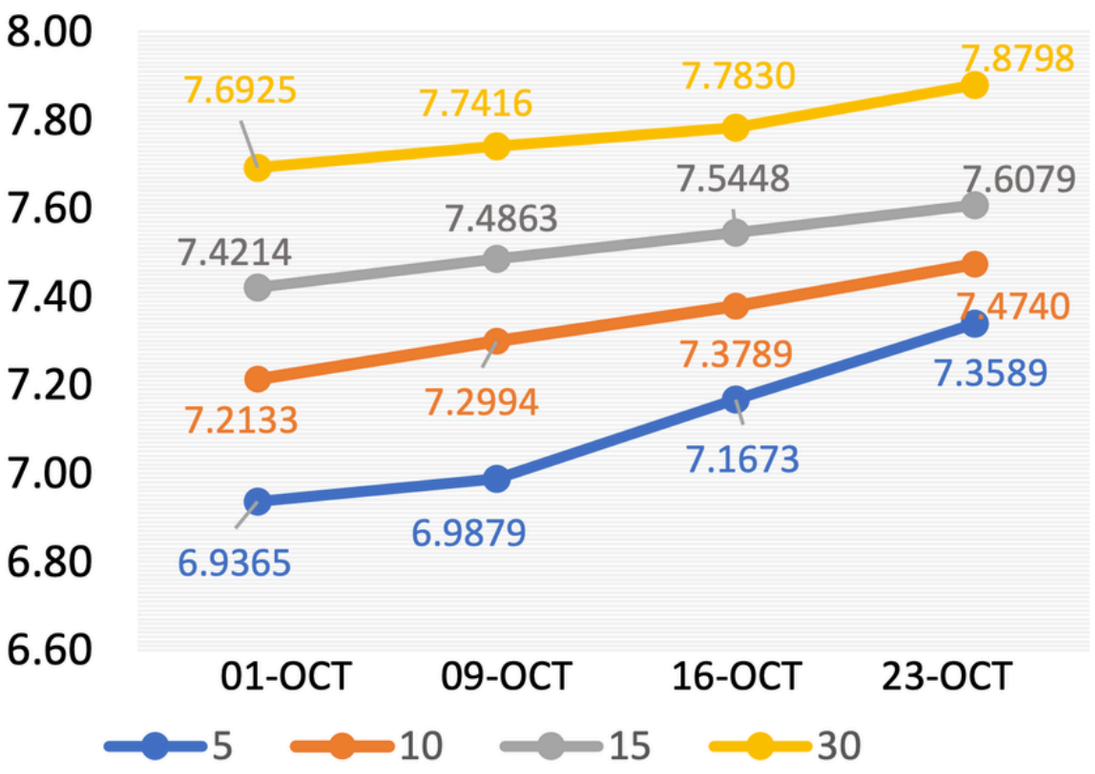
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 25th Oct, 2026

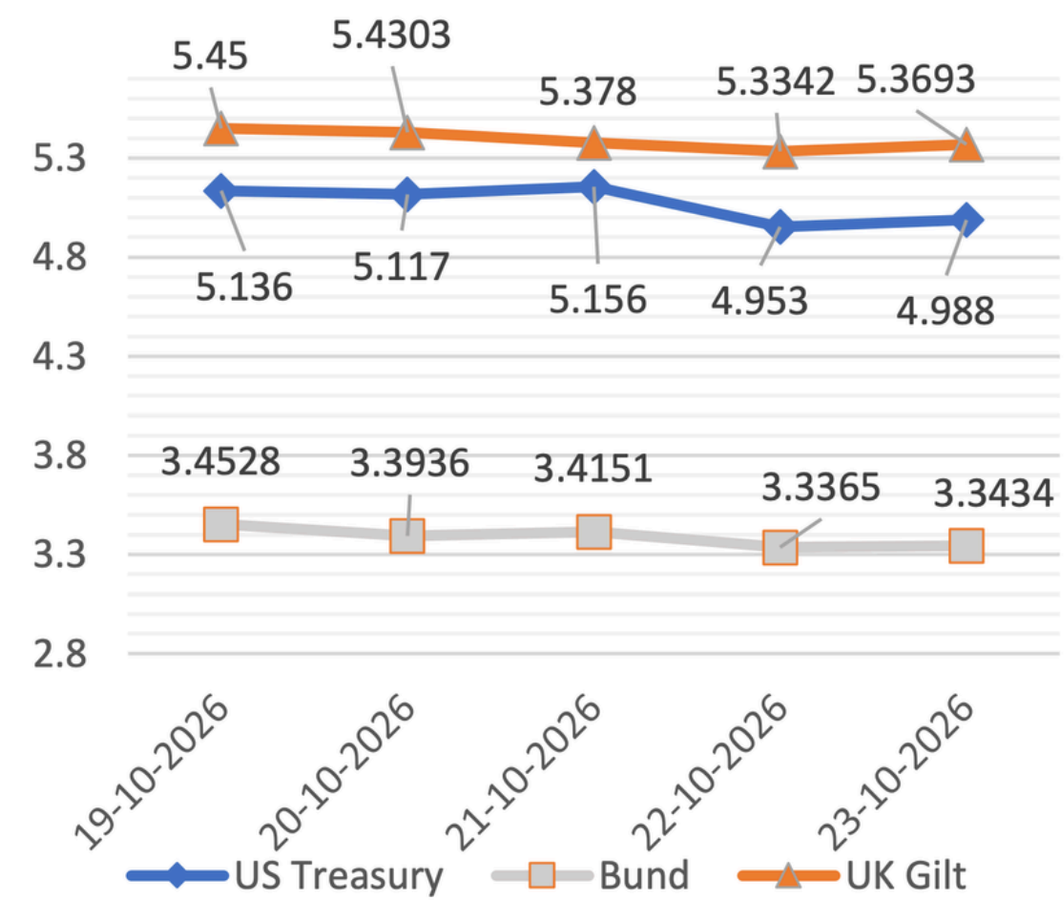
MARKET OVERVIEW

	19 Oct	20 Oct	21 Oct	22 Oct	23 Oct
USD/INR	94.930	94.790	94.465	94.822	94.945
OIL	109.55	108.79	108.82	113.17	116.72
GOLD	4160	4142	4150	4060	4007
India 10 Y	7.392	-	7.4401	7.4596	7.474
US 10 Y	5.136	5.117	5.146	4.953	4.988
NIFTY 50	22888	-	22811	22687	22600
SENSEX	73852	-	73709	73249	73123

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 7.4740 at 9.51 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (9.51 bps above), 10Y UST (10 bps below), 10Y Bund (7 bps below), and 10Y UKT (4 bps below).

China’s economy grew 4.5% yoy in Q3 2026, accelerating from Q2’s three-year low of 4.3% and beating market expectations of 4.4%. Growth was supported by recent policy easing and resilient exports, particularly of AIrelated components, high-tech manufactured goods and electric vehicles.

The yield on Japan 1 Year Bond Yield eased to 1.63% on October 19, 2026, marking a 0.01 percentage points decrease from the previous session. Over the past month, the yield has edged up by 0.07 points and is 0.91 points higher than a year ago.

Japan's annual inflation rate accelerated to 2.1% in September 2026 from 1.9% in the previous two months, marking the highest level since December 2025.

The Consumer Price Index in Singapore increased 0.20 percent in September of 2026 over the previous month. Inflation Rate MoM in Singapore averaged 0.21 percent from 1961 until 2026, reaching an all time high of 4.80 percent in July of 1973 and a record low of -1.90 percent in March of 1963.

Germany’s Manufacturing PMI rose to 54.2 in October 2026 from 53.9 in September, exceeding market expectations of 53.5, preliminary estimates showed. This marked a two-month high and signalled a continued improvement in manufacturing business conditions.

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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
OCT 12	-	6	206081
OCT 13	-	1306	137826
OCT 14	-	1697	105429
OCT 15	-	630	179621
OCT 16	-	8316	159615
OCT 17	-	6591	143278

AVERAGE DAILY TURNOVER

Item	Week Ended		
	OCT 17. 2025	SEP 09. 2026	OCT 16. 2026
	01	02	03
Call Money	29553	22713	26170
Notice Money	7344	1565	7838
Triparty Repo	855476	867769	1010653
Market Repo	814505	6332998	761587
Repo in Corporate Bond	13715	22305	21333

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR III 7.40 BD 18JU31 FVRS1LAC	8.2979	96.5569
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27B 8.13 BD 11JN30 FVRS1LAC	8.1721	99.4335
REC LIMITED SR 251 6.95 BD 18FB28 FVRS1LAC	8.2084	98.4406

Indian Market update:

India's HSBC Composite PMI rose to 56.7 in October 2026 from a final 55.9 in the prior month, flash data showed. It was the fastest growth in private-sector activity since June, with the services sector accelerating while factory output stayed resilient.

Indian government bonds saw little movement as investors monitored volatile oil prices and US Treasury yields. A spike in oil prices, spurred by geopolitical uncertainties, has heightened worries about the impact on global energy supplies and India's import expenses. The central bank's recent increase in the benchmark repo rate adds to this equation, hinting at possible future adjustments.

YES Bank's bondholders have not received recent coupon payments which were due shortly after a court ruling. The Supreme Court restored the value of these bonds, raising uncertainty among investors. Bondholders have requested that the trustee clarify the status of unpaid coupons. Another coupon payment is also approaching, adding to the urgency of the situation. Bondholders expect payments to proceed in accordance with the court's ruling and official guidelines.

Yields on the 10-year benchmark bond have increased due to high oil prices. The Reserve Bank of India rejected all bids at the treasury bill auction conducted recently. The government aimed to raise ₹23,000 crores through treasury bill sales but faced significantly higher yield bids.

UPCOMING AUCTIONS

27TH OCTOBER – RBI announced the SDL auction, in which 13 states will be raising aggregating to 23,300 crores.

28THOCTOBER – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 8,000, 8000, & 7000 crores respectively.

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INR – DOLLAR EXCHANGE

DATE	12 OCT	13 OCT	14 OCT	15 OCT	16 OCT
OPEN	94.8	94.9	94.7	94.4	94.7
HIGH	94.9	94.9	94.8	94.9	94.9
LOW	94.9	94.9	94.4	94.3	94.5
CLOSE	94.9	94.7	94.4	94.8	94.9

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.50	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 (%)
28- SEPT	JAPAN INDUSTRIAL PRODUCTION, SINGAPORE INDUSTRIAL PRODUCTION, EU BOND AUCTIONS, US BILL AUCTION
29- SEPT	CHINA INDUSTRIAL PROFITS, US ADP EMPLOYMENT CHANGE WEEKLY, US DURABLE GOODS ORDER, US MONEY SUPPLY
30- SEPT	AUSTRALIA INFLATION RATE, AUSTRALIA CPI, INDIA INDUSTRIAL AND MANUFACTURING PRODUCTION, US EMPLOYMENT RATE, US FED RATE DECISSION
01- SEPT	JAPAN JGB AUCTION, GB MONEY SUPPLY, EA INDUSTRIAL SUPPLEMENT, US GDP GROWTH RATE, US PCE INDEX, US BILL
02- SEPT	JAPAN INDUSTRIAL PRODUCTION, GB

Currency Movement:

FOn Wednesday, the Indian rupee closed at a sixweek high of 94.46, gaining 46 paise from its previous close. This increase was driven by strong foreign portfolio inflows linked to the Jio Platforms' IPO. Additionally, the currency's rise was supported by a softer dollar index, which decreased from the previous day. While oil prices rose to over $110 per barrel, the RBI's intervention helped the rupee maintain its strength.

Foreign Exchange Reserves in India decreased to 721020 USD Million in October 16 from 726030 USD Million in the previous week. Foreign Exchange Reserves in India averaged 323157.38 USD Million from 1998 until 2026.

Key updates and week ahead:

Americas: Markets will focus on the Fed's October 28 policy decision, with rates broadly expected to remain unchanged and only a 9% probability of a hike priced in for October, rising to over 80% for December. US Q3 GDP growth is forecast to accelerate to 3.0% annualized from 2.2% in Q2, while September headline PCE inflation is expected to rise 0.5% MoM and core PCE 0.3%.

Europe: The ECB is expected to hold interest rates unchanged before potentially hiking again in December, following inflation's acceleration to 3.8%. Euro Area Q3 GDP growth is forecast to slow to 1.1% YoY and 0.2% QoQ, compared with 1.2% and 0.6%, respectively, in Q2. Spain is expected to lead major economies with 0.6% QoQ growth, while Germany and Italy are forecast to expand by 0.1% each.

Asia-Pacific: China's Fifth Plenary Session (October 26–29) will be closely monitored for economic-policy signals, alongside industrial profits and October PMIs. Japan's BoJ is expected to hold rates at 1.25%, although a December hike remains possible; industrial production is forecast to rebound 1.3%, while Tokyo core inflation is projected at 2.6%. In Australia, September inflation is expected to accelerate to 4.2% YoY, influencing monetary-policy expectations. India's industrial production, Q3 GDP releases from South Korea and Taiwan, and strong semiconductor demand will also be in focus.