



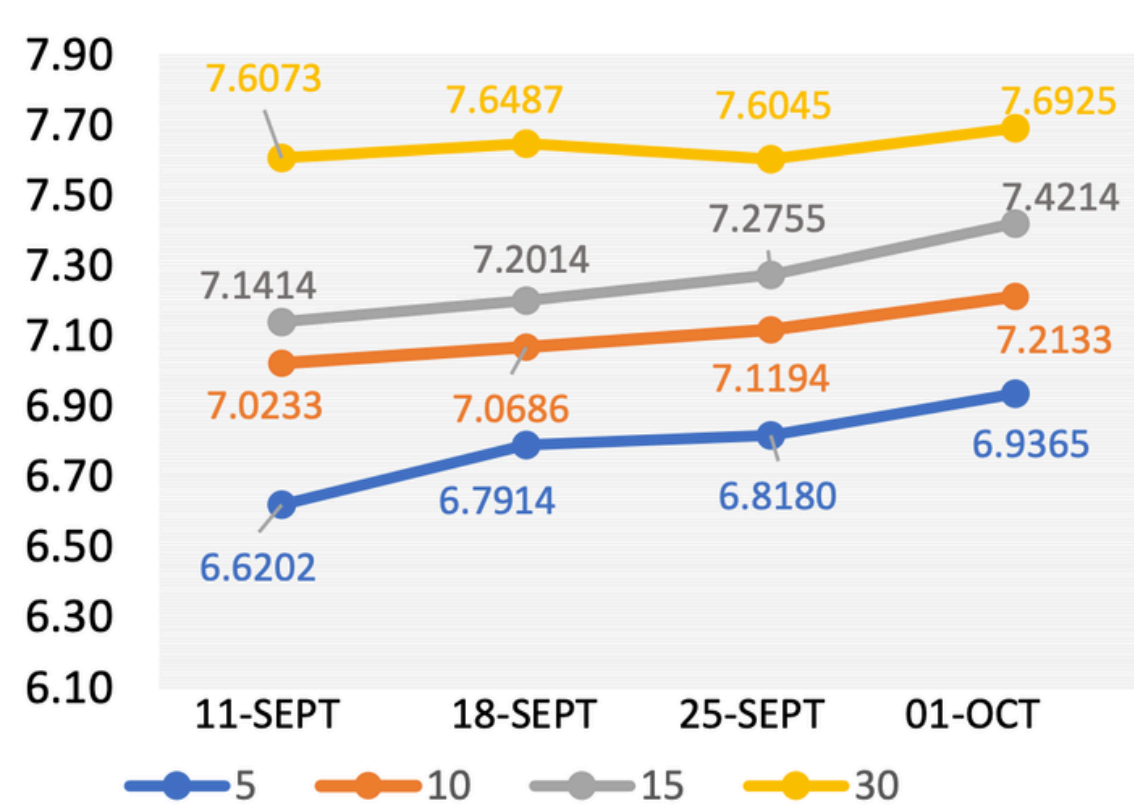
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 4th Oct, 2026

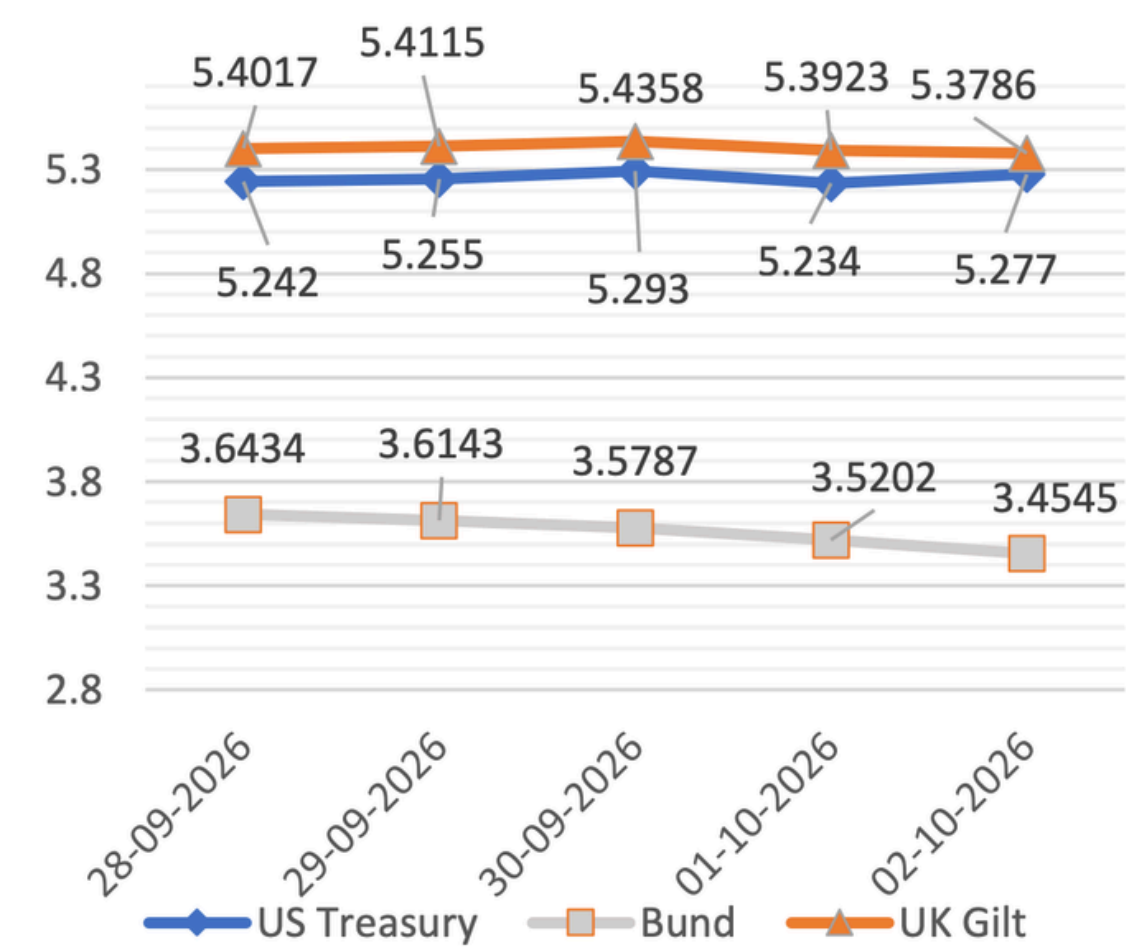
MARKET OVERVIEW

	28 Sep	29 Sep	30 Sep	01 Oct	02 Oct
USD/INR	95.988	95.985	95.985	96.325	96.325
OIL	99.78	97.09	98.03	102.31	102.25
GOLD	4168	4179	4186	4202	4162
India 10 Y	7.1848	7.1628	7.1879	7.2133	-
US 10 Y	5.242	5.255	5.293	5.234	5.277
NIFTY 50	22780	22716	22620	22421	-
SENSEX	72771	72529	72480	71909	-

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 7.2133 at 9.39 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (9.39 bps above), 10Y UST (9 bps above), 10Y Bund (17 bps below), and 10Y UKT (1 bps above).

The Eurozone's seasonally adjusted unemployment rate stood at 6.4% in August 2026, holding at the same level since February and matching analysts' forecasts.

Core PCE prices in the United States, which are the Federal Reserve's preferred gauge of underlying inflation, rose by 3.3% from the previous quarter in the second quarter of 2026, falling below the 3.6% second estimate and slowing from a downwardly revised 3.9% increase in the previous period.

The US GDP implicit price deflator increased at an annualized rate of 6.1% in the second quarter of 2026, accelerating from 3.6% in the previous quarter and slightly below the second estimate of 6.4%.

China's industrial profits rose 15.7% year-on-year to CNY 5.27 trillion in the first eight months of 2026, slowing from a 17.6% gain in the January-July period. The latest result reflected continued strength in high-tech and AI-related manufacturing, although subdued domestic demand weighed on profitability in some industries.

Germany's 10-year bond yield experienced a slight decrease after reaching a 17-year high recently. Rising global interest rates are driven by strong economic growth and elevated energy prices.





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Liquidity Operation by RBI

DATE	VRR	MSF	SDF
SEP 14	75058	4262	157750
SEP 15	71971	2956	159892
SEP 16	75026	378	147625
SEP 17	101399	34	161909
SEP 18	90280	198	221774
SEP 19	-	32	182306

AVERAGE DAILY TURNOVER

Item	Week Ended		
	SEP 26. 2025	SEP 18. 2026	SEP 25. 2026
	01	02	03
Call Money	31298	19969	25947
Notice Money	1694	8035	1525
Triparty Repo	738792	1055236	895696
Market Repo	681777	710487	606081
Repo in Corporate Bond	15960	16397	28835

KEY 10-YR YIELDS (%)

Paper	Yield (%)	LTP
REC LIMITED SR 239 BD 03NV34 FVRSILAC	8.7457	58.9722
INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED 7.25 NCD 09JU31 FVRSILAC	7.8171	99.1200
STATE BANK OF INDIA SR I 7.75 BD PERPETUAL FVRSICR	8.0668	99.6758
POWER FINANCE CORPORATION LIMITED SR 261B 7.6 BD 08SP31 FVRSILAC	7.8600	98.9315

Indian Market update:

India’s industrial production growth accelerated to 8.0% year-on-year in August 2026, up from an upwardly revised 7.4% in July and well above market expectations of 6.5%.

India’s manufacturing output growth accelerated to 9.0% year-on-year in August 2026, from 8.2% in July, driven by strong gains across several sectors.

Indian government bonds experienced a decline as US Treasury yields rose and supply increased ahead of the Reserve Bank of India meeting. The benchmark bond yield reached its highest level in two and a half years. Market analysts expect the RBI to raise interest rates for the first time since 2023.

India's National Stock Exchange has received a no-objection certificate to introduce futures contracts linked to a corporate bond index. This initiative, pending approval from the Reserve Bank of India, aims to enhance investor risk management.

Indian government bonds closed the quarter at their weakest levels in more than two years. Fluctuations in oil prices and rising global yields influenced market conditions significantly. Anticipations regarding rate increases by the Reserve Bank of India affected bond supply fears after increased long-term bond issuance. India's inflation rate in August exceeded the RBI's medium-term target, showing persisted price pressures.

UPCOMING AUCTIONS

06TH OCTOBER – RBI announced the SDL auction, in which 13 states will be raising aggregating to 25,100 crores.

07THOCTOBER – 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	95.8	95.9	95.9	95.9	96.3
HIGH	95.9	96.1	95.9	96.3	96.3
LOW	95.8	95.9	95.7	95.9	96.3
CLOSE	95.9	95.9	95.9	96.3	93.6

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 (%)
28- SEPT	US ISM SERVICE PMI, EA PPI, US 3- MONTH BILL AUCTION, 6-MONTH BILL AUCTION
29- SEPT	JAPAN 10-YEAR JGB AUCTION, INDIA HSBC PMI COMPOSITE DATA, US ADP EMPLOYMENT CHANGE, US BALANCE TRADE, GERMANY FACTORY ORDERS
30- SEPT	INDIA RBI RATE CUT DECISION, INDIA CRR, GERMANY INDUSTRIAL PRODUCTION, GERMANY 7-YEAR BOND AUCTION, RUSSIA FOREX, FED FOMC MINUTES, JAPAN FOREX RESERVE, EU 6-MONTH BILL AUCTION,3-
01- SEPT	JAPAN FOREIGN BOND INVESTMENT, GERMANY BALANCE OF TRADES, US INITIAL JOBLESS CLAIM, US
02- SEPT	INDIA FOREX RESERVE, RUSSIA INFLATION

Currency Movement:

The Indian rupee has experienced a decline impacted by elevated crude prices and increasing global bond yields. During the last quarter, the currency fell 1.2%, and monthly losses reached 0.7%. Despite the downturn, the Reserve Bank of India managed to stabilize the rupee through interventions and support measures. Analysts expect the upcoming monetary policy decision to influence the currency's future movement.

On Thursday, the Indian rupee declined to a twomonth low against the US dollar due to foreign portfolio outflows. Overseas investors sold off investments amid rising US bond yields and dollar demand. The rupee surpassed the 96-level twice in three days, indicating intense market pressure. Custodian banks continued purchasing dollars, which also pointed to ongoing foreign outflows.

Key updates and week ahead:

Americas: US markets will focus on the FOMC minutes and Fed officials’ speeches for further guidance on the policy outlook, although softer PCE inflation, weaker payrolls and dovish comments have reduced expectations of an October rate hike. The ISM Services PMI is expected to show stronger expansion, potentially the fastest since February, while consumer sentiment is likely to remain near record lows.

Europe: The ECB meeting accounts will be closely watched after its 25-bps September rate hike for clues on future policy. Germany’s industrial production is expected to rebound, although factory orders may decline, while Euro Area retail sales are forecast to recover and producer prices to rise 1.9% in August.

Asia-Pacific: China will remain closed for the Golden Week holiday through October 7, limiting economic activity and data releases. Japan’s focus will be on wages, household spending, consumer confidence and the Reuters Tankan, with wage growth expected to slow to 3.7%. In India, the RBI is widely expected to raise the policy rate by 25 bps to 5.5%, following a prolonged pause, as higher food and fuel prices are expected to lift inflation

