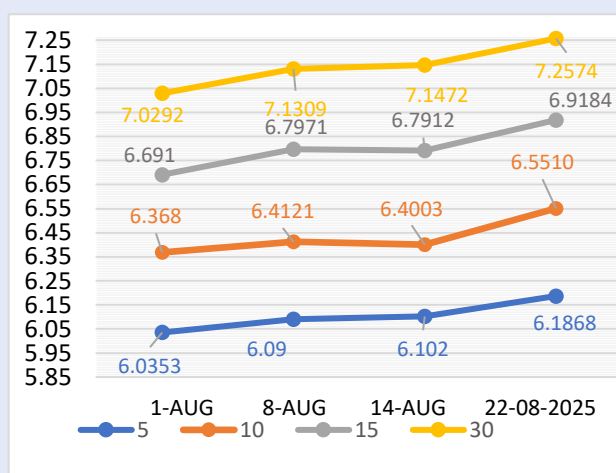
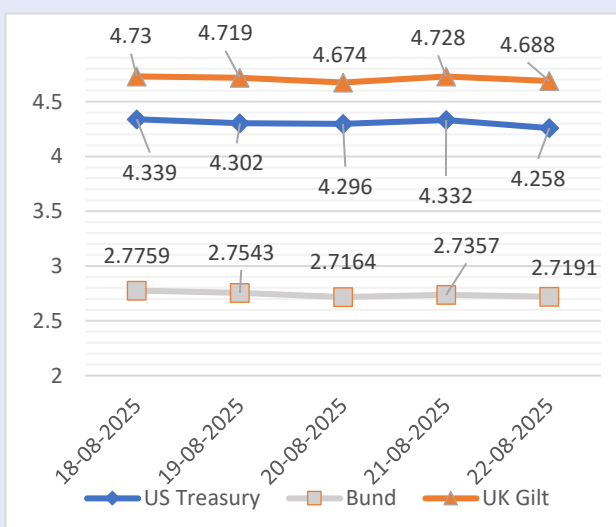


23RD AUGUST 2025
MARKET OVERVIEW

	18 AUG	19 AUG	20 AUG	21 AUG	22 AUG
USD/INR	87.311	87.070	87.018	87.294	87.331
OIL	66.60	65.79	66.84	67.67	67.73
GOLD	3378	3358	3388	3381	3418
India 10 Y	6.4968	6.5139	6.4969	6.5278	6.5510
US 10 Y	4.339	4.302	4.296	4.332	4.258
NIFTY 50	24883	24989	25048	25075	24870
SENSEX	81293	81707	81838	81981	81328

INDIA BOND YIELD (%)

KEY 10-YR YIELDS (%)

Key headlines from the week:

The 10-year benchmark (6.33% GS 2035) yield concluded the week at 6.551 at 15.07 bps lower the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (15.07 bps below), 10Y UST (7 bps below), 10Y Bund (6 bps below), and 10Y UKT (2 bps below).

The HCOB Germany Manufacturing PMI rose to 49.9 in August 2025 from 49.1 in the previous month, coming in above market expectations of 48.8, according to flash estimates. The latest figure marks the highest reading since June 2022 and indicates that the sector is edging closer to stabilization.

The S&P Global UK Services PMI climbed to 53.6 in August 2025 from 51.8 in July, topping market forecasts of 51.8, flash estimates showed. Business activity rose for the fourth consecutive month, recording the fastest growth in a year, supported by a renewed increase in new orders.

Germany's economy contracted 0.3% qoq in Q2 2025, sharper than the preliminary estimate of a 0.1% drop and reversing the 0.3% growth seen in the previous period. It was the steepest quarterly decline since Q2 2024, driven by a fall in fixed capital formation (-1.4% vs 0.3% in Q1), reflecting weaker investment in both construction and equipment, primarily machinery.

Japan's annual inflation rate eased to 3.1% in July 2025 from 3.3% in the previous month, marking the lowest reading since November 2024. Electricity prices fell for the first time since April 2024 (-0.7% vs 5.5%), while gas prices were unchanged after a 2.7% increase previously

Liquidity Operation by RBI

Date	VRRR	MSF	SDF
AUG 11	44790	1071	97719
AUG 12	-	1271	83758
AUG 13	-	1814	111927
AUG 14	182790	1127	132763
AUG 15	-	134	119519
AUG 16	-	214	133165

AVERAGE DAILY TURNOVER

Item	Week Ended		
	AUG 16. 2024	AUG 05. 2025	AUG 15. 2025
	1	2	3
Call Money	16728	27991	24392
Notice Money	5756	1487	8303
Triparty Repo	705300	659645	803167
Market Repo	615520	658871	794301
Repo in Corporate Bond	6329	12377	11835

Most Actively Traded Debt.

Paper	Yield (%)	LTP
HDFC BANK LIMITED SR AA012 7.70 NCD 18NV25 FVRS10LAC	6.3167	100.2400
LIC HOUSING FINANCE LTD TR 456 6.90 NCD 17SP27 FVRS1LAC	6.8800	100.0467
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23F 7.5 BD 17DC25 FVRS10LAC	6.1100	100.3263
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 177 7.44 BD 28FB34 FVRS1LAC	7.1400	101.8369

Indian Market update:

Foreign Exchange Reserves in India increased to 695110 USD Million in August 15 from 693620 USD Million in the previous week. Foreign Exchange Reserves in India averaged 306618.61 USD Million from 1998 until 2025, reaching an all-time high of 704890 USD Million in September of 2024 and a record low of 29048 USD Million in September of 1998.

India's core sector output saw a 2% increase in July 2025, driven by growth in steel, cement, fertilizer, and electricity production. Steel production marked the highest rise with 12.8% growth. However, coal, crude oil, and natural gas production experienced declines during the same period.

HSBC India Composite PMI jumped to a record high of 65.2 in August 2025 from 61.1 in the prior month, flash data showed. The acceleration reflects robust expansion across both manufacturing and services, with the latter spearheading the gains as business activity surged to a new survey peak. Total new orders rose near a record pace, supported by the fastest foreign sales growth since the composite index began in 2014.

Unemployment Rate in India decreased to 5.20 percent in July from 5.60 percent in June of 2025. Unemployment Rate in India averaged 8.43 percent from 2018 until 2025, reaching an all-time high of 20.80 percent in June of 2020 and a record low of 5.10 percent in April of 2025.

UPCOMING AUCTIONS

- **26TH AUG** – RBI announced the SDL auction, in which 15 states will be raising aggregating to 34,150 crores.
- **28TH AUG** – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 10,000, 6000, & 5000 crores respectively.

INR – DOLLAR EXCHANGE

	18 AUG	19 AUG	20 AUG	21 AUG	22 AUG
OPEN	87.5	87.2	87.0	87.0	87.2
HIGH	87.5	87.3	87.1	87.3	87.5
LOW	87.2	86.9	86.9	86.9	87.1
CLOSE	87.3	87.0	87.0	87.2	87.3

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.50	6.00
USA	4.50	4.50
UK	4.00	4.25
CHINA	3.00	3.10
EURO AREA	2.15	2.40
JAPAN	0.50	0.50

Key Events

DATE	EVENTS
25-AUGUST	United States Chicago Fed National Activity Index, United States Dallas Fed Manufacturing Index
26-AUGUST	Australia RBA meeting Minutes, Singapore Industrial Production
27-AUGUST	Germany GfK Consumer Confidence, Australia Monthly CPI Indicator
28-AUGUST	United States GDP, India Industrial Production, Eurozone Economic Sentiment
29-AUGUST	India GDP, United States Core PCE, United States Wholesale Inventories, United States UoM Sentiment, France Inflation, Sweden GDP, Japan Industrial Production, Retail Sales, Unemployment Rate, Germany Retail Sales

Currency Movement:

The rupee hovered near 87.26 per USD, pressured by a stronger dollar ahead of Fed Chair Powell's Jackson Hole speech, with markets weighing the pace of U.S. rate cuts amid persistent inflation risks. Late-session dollar demand from oil importers added pressure, though foreign bank sales, debt inflows, and proposed Indian tax cuts helped limit losses.

Sentiment remained fragile due to looming U.S. tariffs on Indian goods and criticism of Russian oil imports, even as diplomatic talks and foreign bank activity provided some relief, with analysts expecting continued downside risk for the rupee in September.

Key updates and week ahead:

The U.S. will release revised Q2 GDP data (initially 3.0%) along with July core PCE, the Fed's preferred inflation gauge, which will shape expectations for a likely September rate cut. Recent CPI and PPI prints showed mixed signals, with headline inflation steady at 2.7%, core CPI rising to 3.1%, and producer prices at 3.3%. Other key U.S. releases include durable goods orders, housing, and income-spending data. Canada will also publish Q2 GDP, with PMI data suggesting that while the tariff shock impact has eased, growth remains weak.

Preliminary August inflation figures from Germany, Italy, France, and Spain are due this week, following HCOB Flash Eurozone PMI data that pointed to subdued price pressures ahead. Eurozone and German economic sentiment readings will also be released, with early PMI signals showing softer business optimism but tentative signs of a manufacturing recovery.

A busy economic data calendar is expected in the new week for APAC, in addition to central bank meetings in South Korea and the Philippines. PMI data from mainland China's National Bureau of Statistics (NBS) will be due over the weekend. Meanwhile, GDP for the April to June period will be released for India. Other key releases in the week include monthly CPI data from Australia and Japan's consumer confidence and industrial production numbers.