



**ASSET
MANAGEMENT**

BUILT ON RULES

Debt Market & Macro Economic Update

February 2026



TOPIC

DEBT MARKET UPDATE

India Government Bond Market Overview

Global Government Bond Yield Trends

MACRO ECONOMIC UPDATE

Currency, Energy, and Commodity Analysis

Inflation Trends: CPI and WPI

Economic Growth and Industrial Production

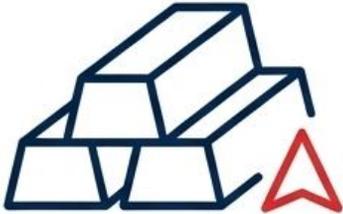
Fiscal Dynamics and Balance of Payments



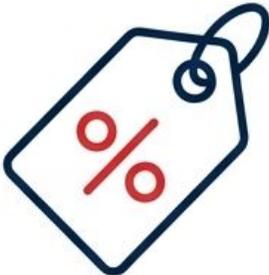
Yields



Global



Commodities



Inflation



Growth



Fiscal

DEBT MARKET UPDATE

India 3-Year Government Bond Yield (%)



1/1/2010 1/1/2015 1/1/2020 1/1/2025 1/1/2026

India 5-Year Government Bond Yield (%)



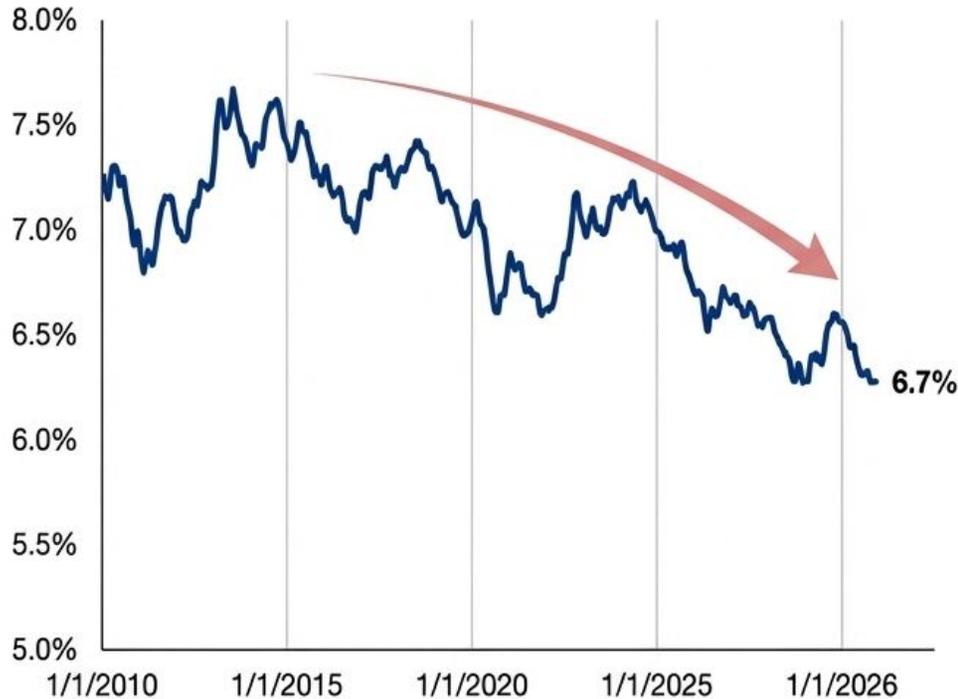
1/1/2010 1/1/2015 1/1/2020 1/1/2025 1/1/2026

Key Highlights

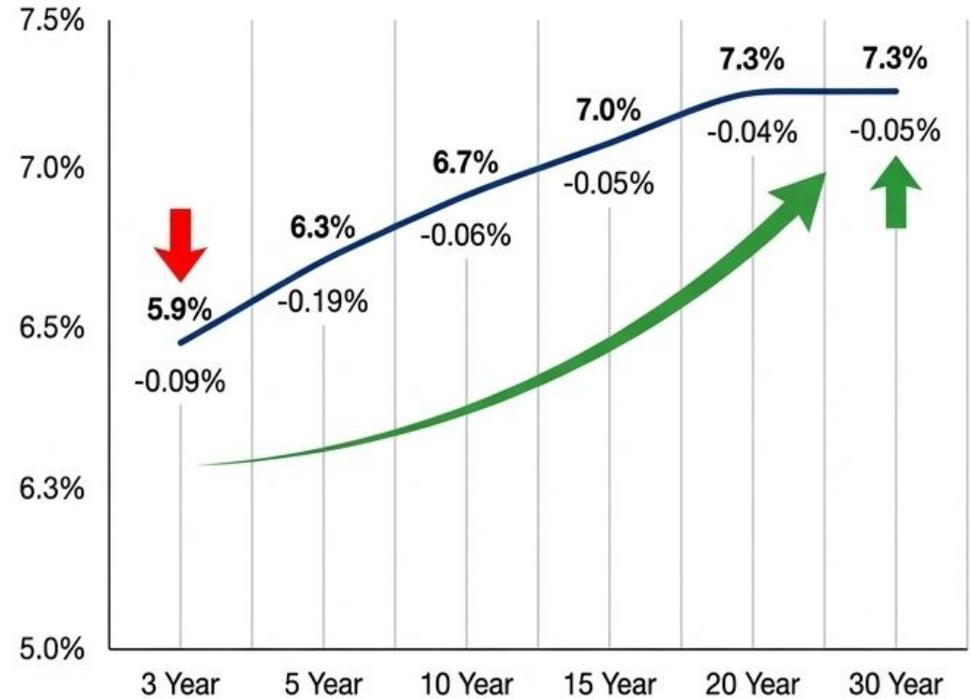
- Both the 3-Year and 5-Year yields demonstrate significant macro compression from historical peaks, stabilizing in early 2026.
- The current 40-basis-point spread (6.3% vs. 5.9%) indicates a moderate upward slope in the medium-term segment, with both trajectories displaying synchronized macro cycles and identical recent downward.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

India 10-Year Government Bond Yield (%)



India Government Bond Yield vs Maturity



Key Highlights

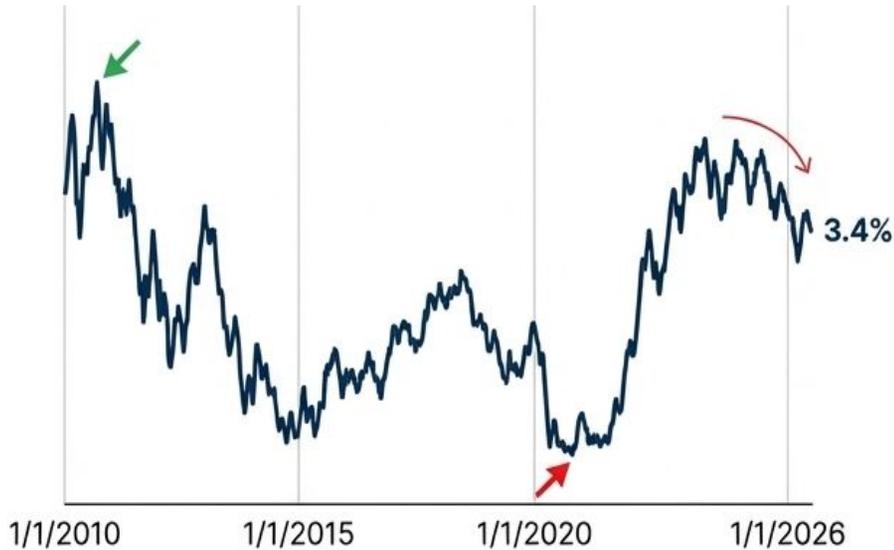
- The benchmark 10-Year Government Bond yield ended the period at 6.7%, reflecting a continued contraction alongside shorter-term issuances.
- The Yield vs Maturity curve displays a normalized upward slope, initiating at a deep point of 5.9% (3-Year) and expanding structurally to a peak of 7.3% (20-Year and 30-Year maturities). All tracked maturity intervals showed negative yield changes in the latest data capture.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

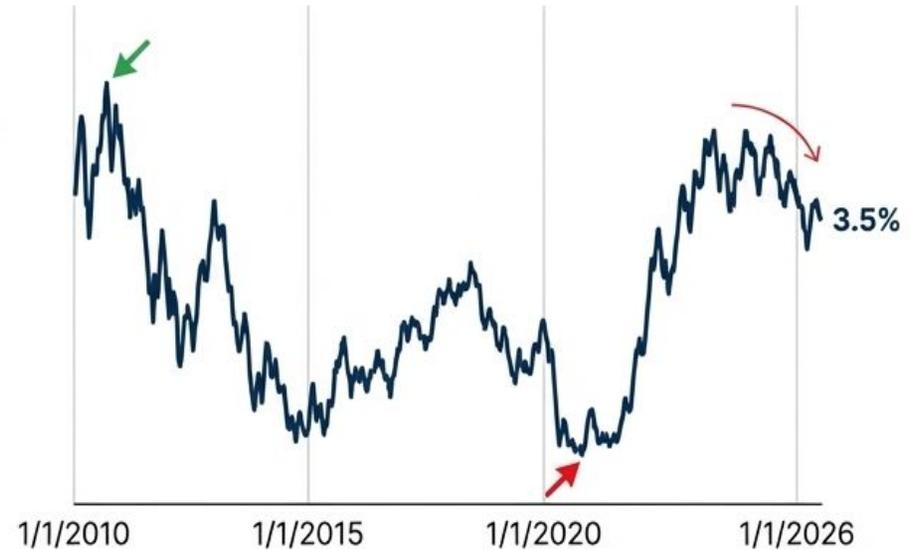
Source: Bloomberg. Yield is as of 28th February 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st January 2026 and 28th February 2026.

Historical Movement in US 3-Year and 5-Year Treasury Yields

US 3-Year Government Bond Yield (%)



US 5-Year Government Bond Yield (%)



Key Highlights

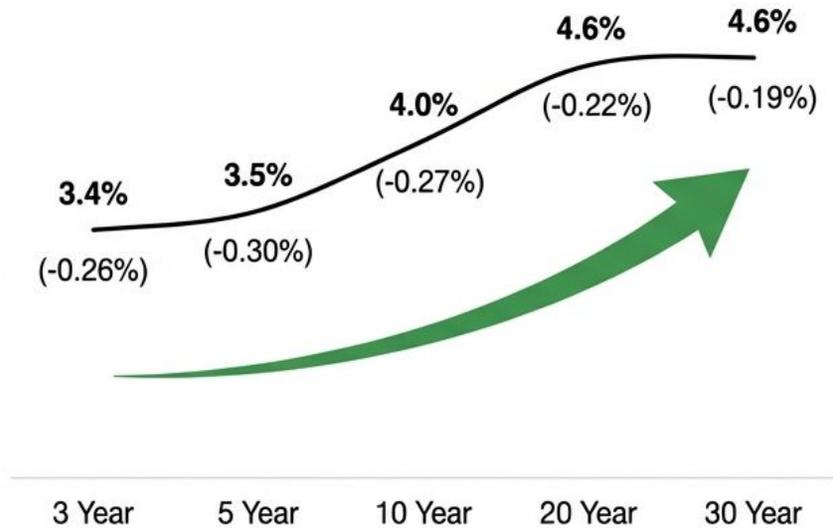
The US 3-Year and 5-Year Government Bond Yields currently stand at 3.4% and 3.5%, respectively. Both durations exhibit highly correlated historical trajectories, having rebounded significantly from their near-zero historical lows in 2020 to recent highs before showing slight recent moderation.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

US 10-Year Government Bond Yield (%)



US Government Bond Yield vs Maturity



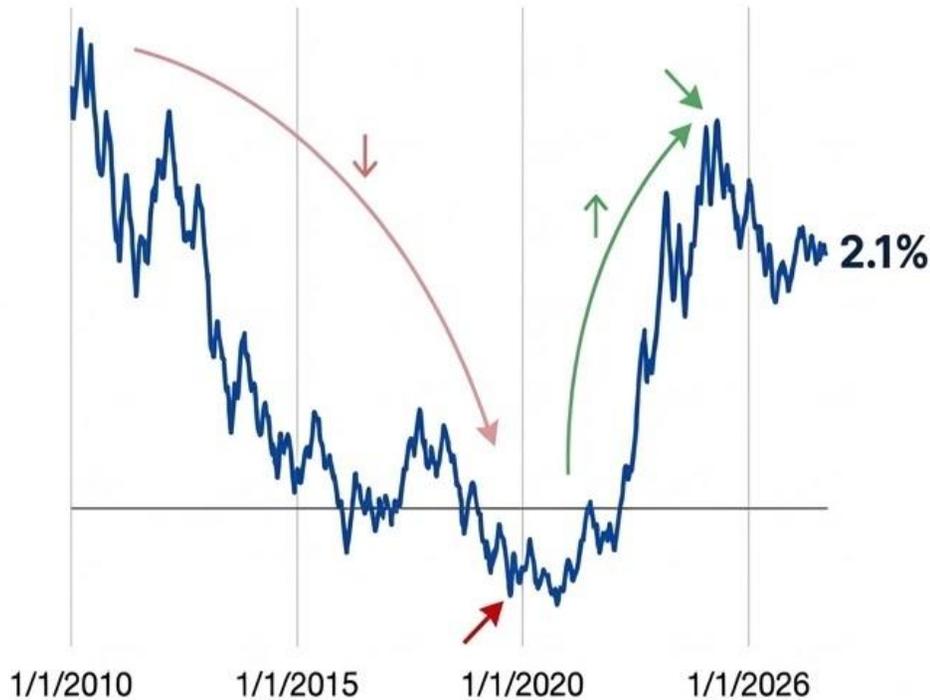
Key Highlights

- The US 10-Year Government Bond Yield currently rests at 4.0%, tracking noticeably below its recent multi-year high.
- The current yield curve demonstrates an upward sloping growth trajectory, with a 1.2% spread between the 3-Year yield (3.4%) and the 30-Year yield (4.6%).
- Across the curve, recent changes in yield indicate negative momentum across all maturities shown, ranging from -0.19% to -0.30%.

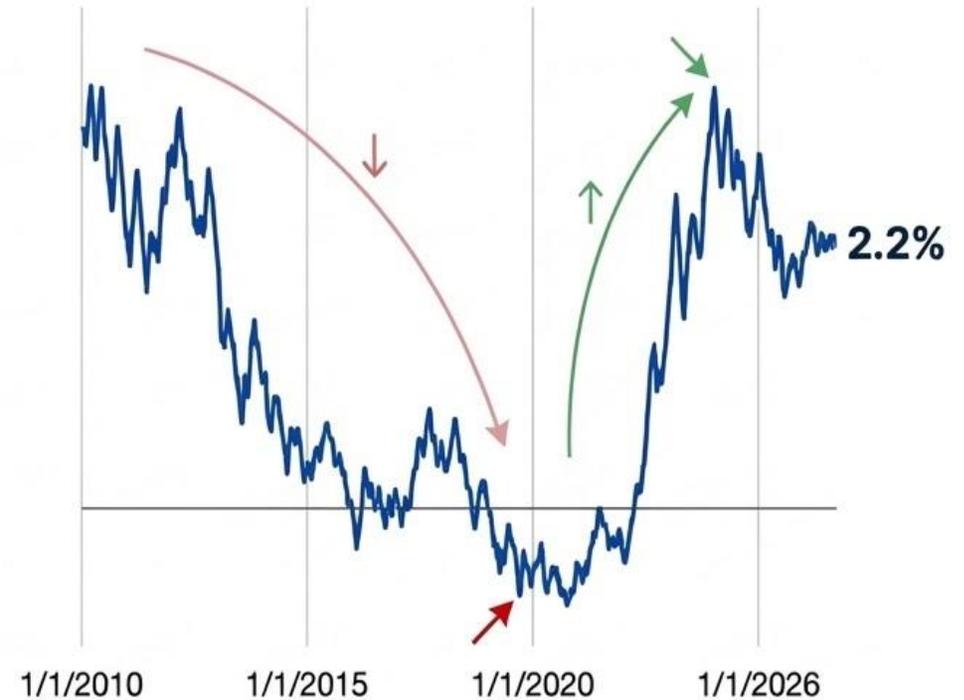
Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Source: Bloomberg. Yield is as of 28th February 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st January 2026 and 28th February 2026.

Euro Generic Govt Bond 3-Year Yield (%)



Euro Generic Govt Bond 5-Year Yield (%)

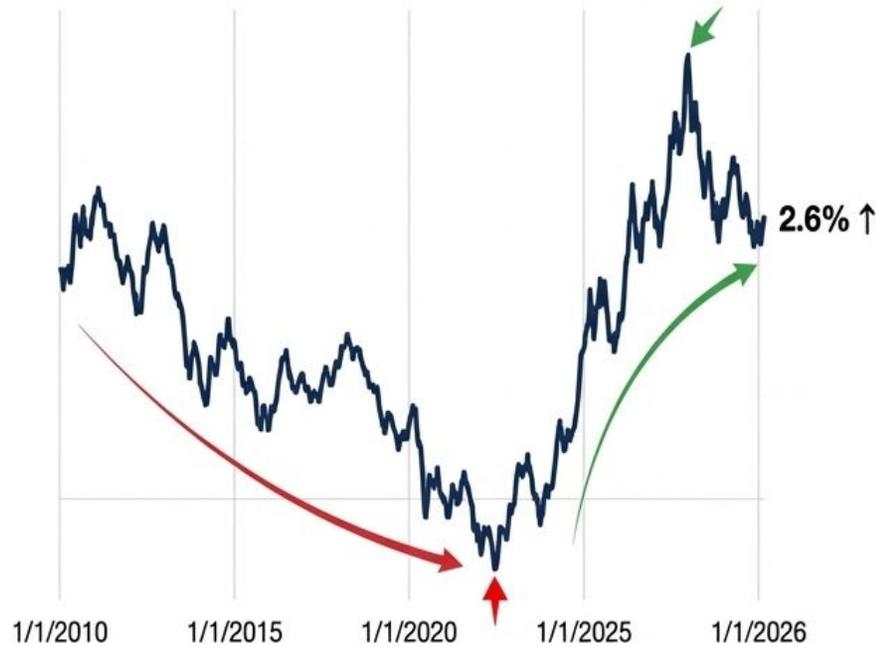


Key Highlights

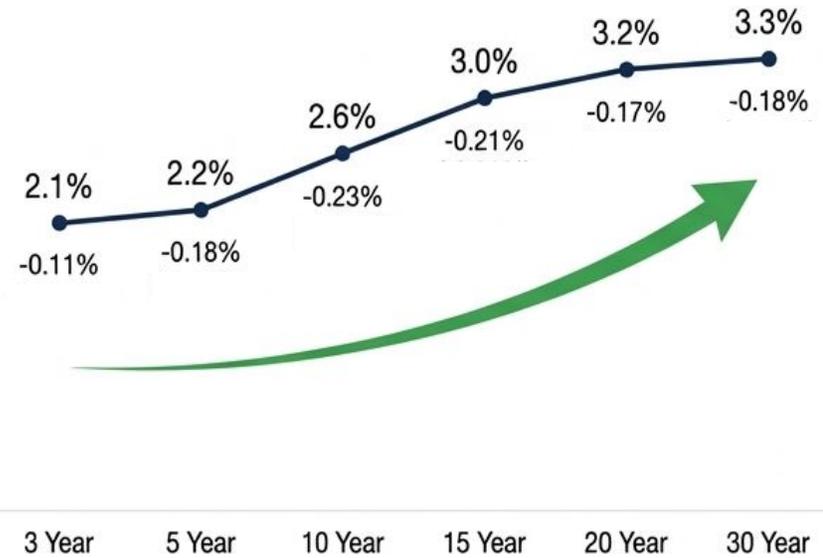
- Following a decade of negative yields, both 3-Year and 5-Year Euro Generic Government Bonds experienced sharp upward repricing beginning in 2022.
- Yields have stabilized in early 2026, with the 3-Year currently sitting at 2.1% and the 5-Year slightly higher at 2.2%.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Euro 10-Year Generic Government Bond Yield (%)



Europe Government Bond Yield vs Maturity



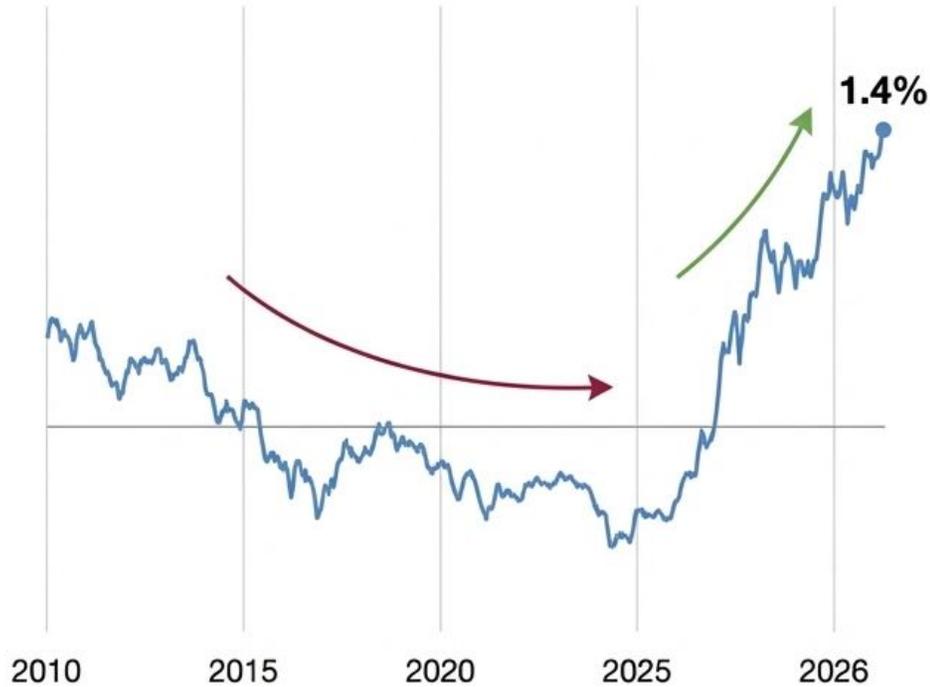
Key Highlights

The 10-Year generic baseline yield currently rests at 2.6%, reflecting a complete structural recovery from the negative yield era. The current maturity profile displays a normal, upward-sloping yield curve, originating at 2.1% for the 3-Year maturity and scaling smoothly to a high of 3.3% at the 30-Year mark. Recent fractional shifts indicate uniform yield declines across all tracked durations.

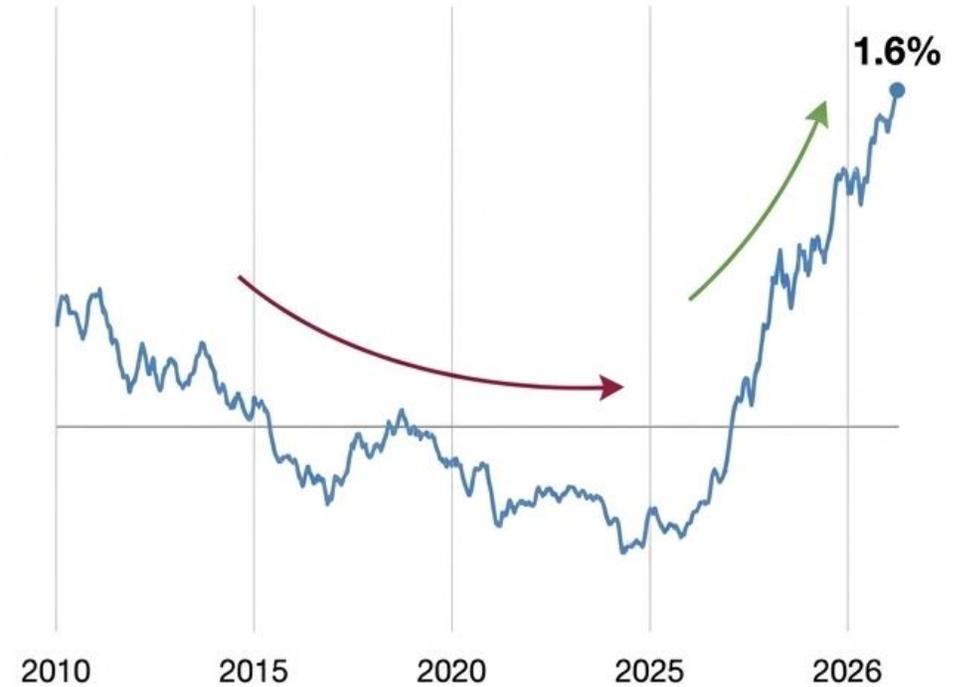
Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Source: Bloomberg. Yield is as of 28th February 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st January 2026 and 28th February 2026.

Japan 3-Year Government Bond Yield (%)



Japan 5-Year Government Bond Yield (%)

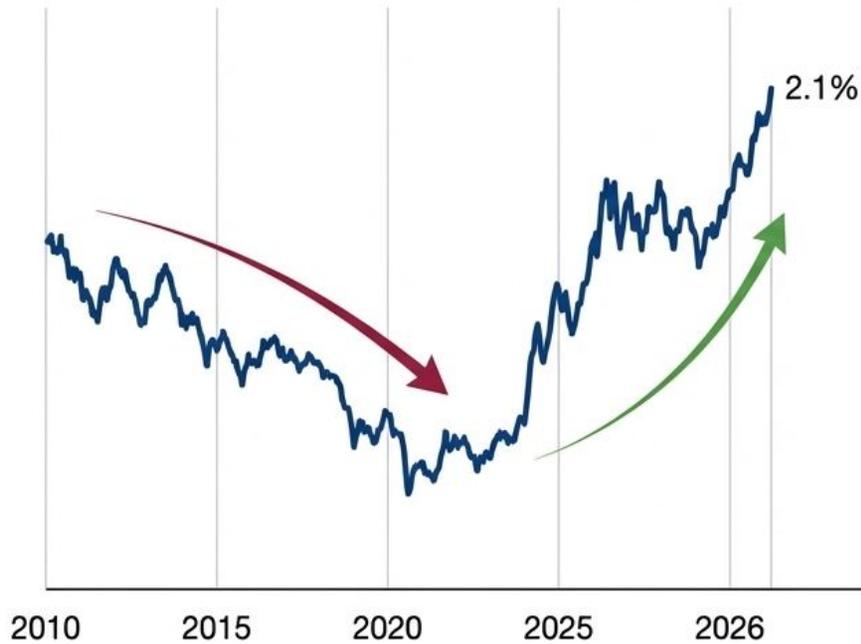


Key Highlights

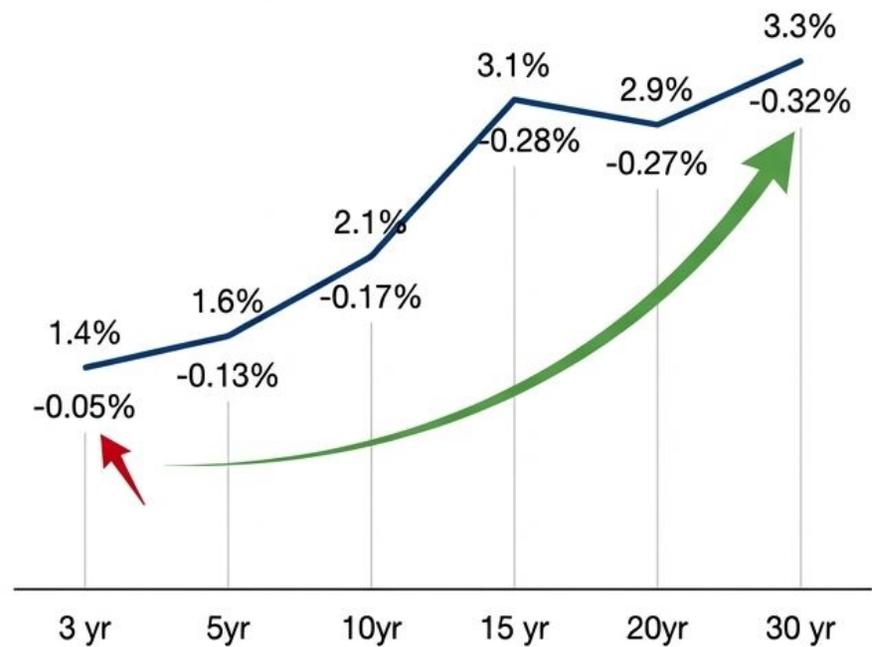
Both 3-year and 5-year yields have fully exited historical negative territory, showing sustained upward momentum and ending at 1.4% and 1.6% respectively as of the latest data.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Japan 10-Year Government Bond Yield (%)



Japan Government Bond Yield vs Maturity



Key Highlights

The 10-year benchmark yield reached 2.1%, while the maturity curve maintains a distinctly upward structural trajectory, anchored at a low of 1.4% (3-year) and peaking at 3.3% for the 30-year maturity.

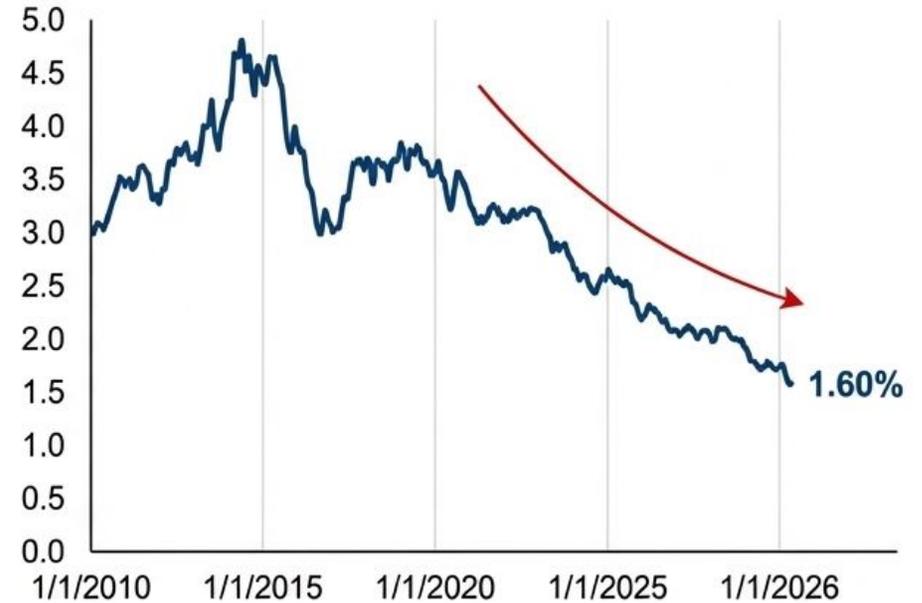
Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Source: Bloomberg. Yield is as of 28th February 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st January 2026 and 28th February 2026.

China 3-Year Gov. Bond Yield (%)



China 5-Year Gov. Bond Yield (%)



Key Highlights

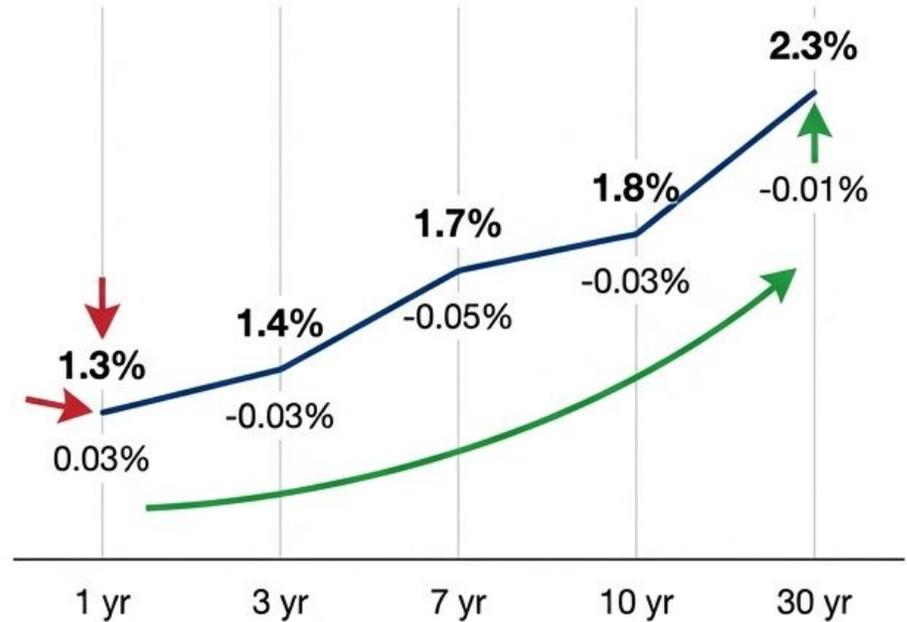
China's short-to-medium term government bond yields display a definitive, long-term downward trajectory. By late February 2026, the 3-Year yield has compressed to 1.40%, while the 5-Year yield sits closely at 1.60%, reflecting sustained monetary easing and historical lows.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

China 10-Year Government Bond Yield (%)



China Government Bond Yield vs Maturity



Key Highlights

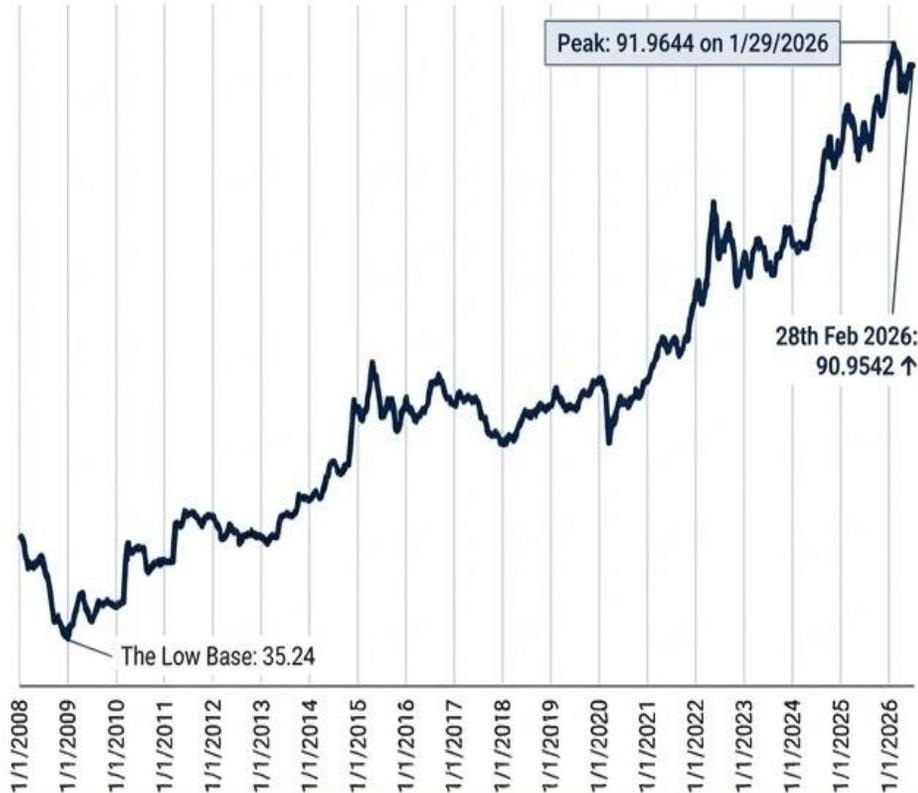
The benchmark 10-Year yield has compressed in tandem with shorter durations to 1.8%, resulting in a moderately upward-sloping sovereign maturity curve that currently spans an absolute range of just 100 basis points, from 1.3% at the 1-Year deep point to 2.3% at the 30-Year peak.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Source: Bloomberg. Yield is as of 28th February 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st January 2026 and 28th February 2026.

MACRO ECONOMIC UPDATE

INR/USD Exchange Rate



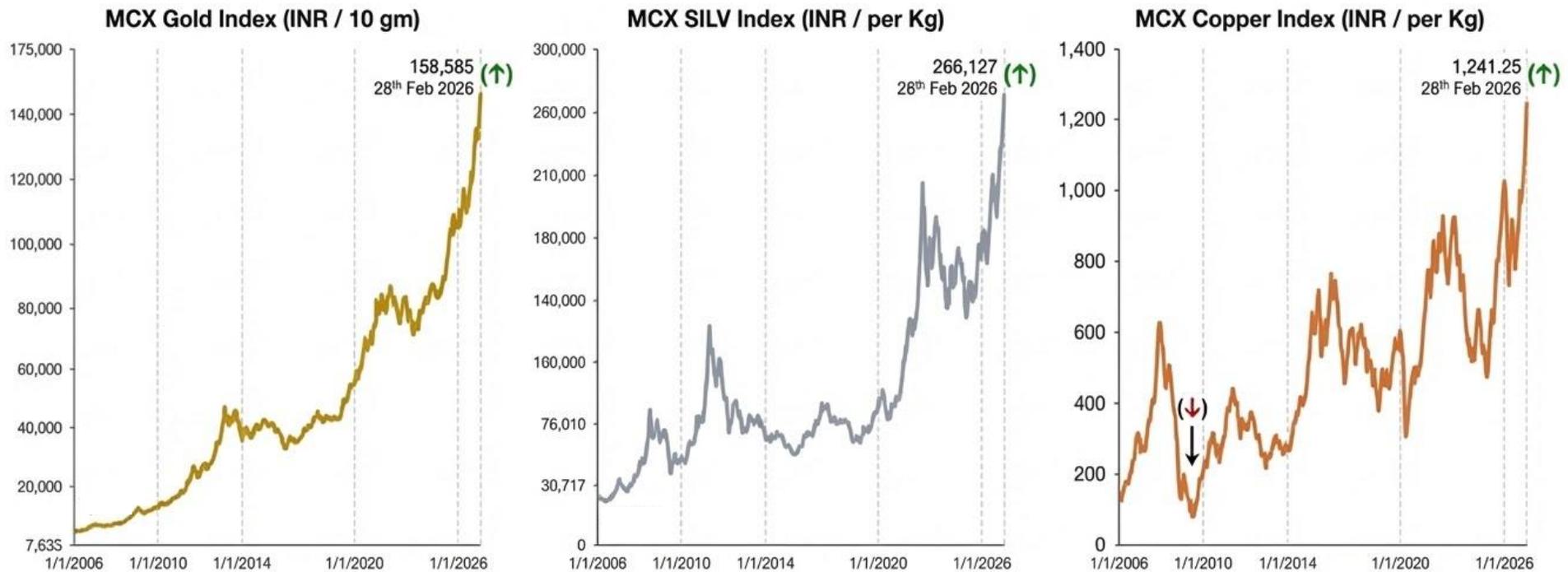
Brent Crude (USD/Bbl)



Key Highlights

- The INR/USD exchange rate demonstrates a persistent, long-term upward trajectory, reaching an all-time highlighted peak of **91.9644** in January 2026 before settling at **90.9542** (↑).
- Brent Crude exhibits extreme multi-year cyclical, highlighted by a sharp surge to **137.665** in March 2022, followed by a sustained macro decline to current levels of **70.83** (↓).

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

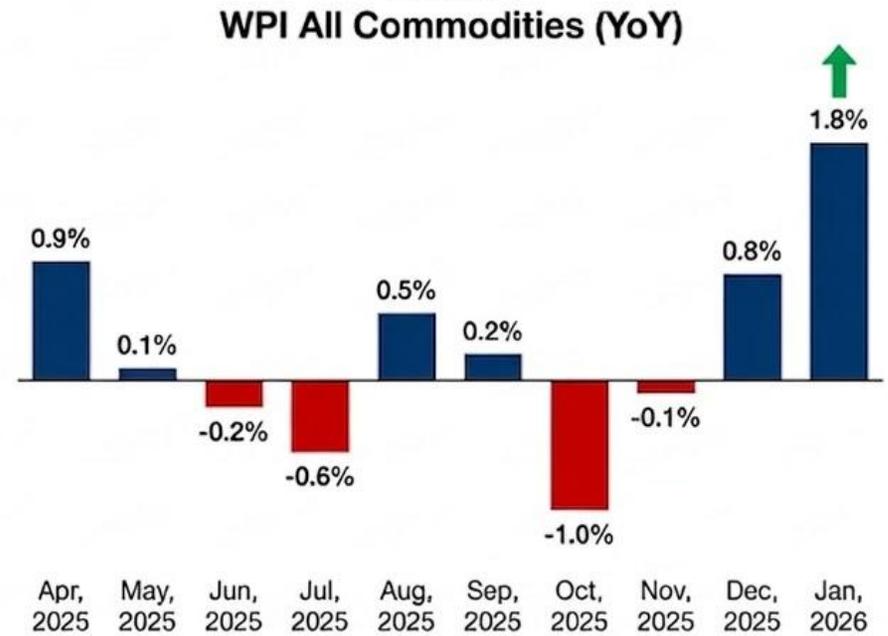
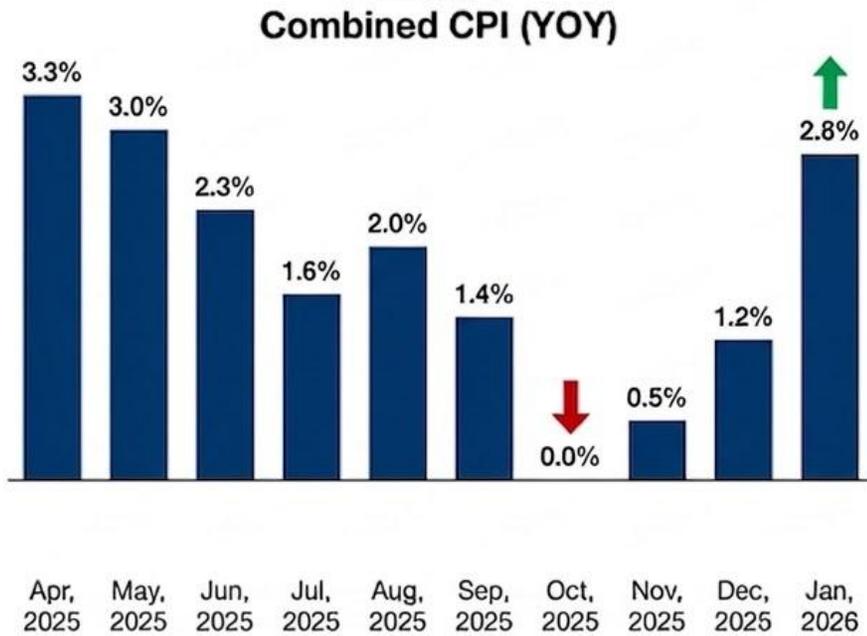


Key Highlights

- Over the twenty-year period extending beyond 1/1/2026, both precious metals demonstrated exponential growth, with Gold rising from an index of 7,635 to 158,585 (↑) and Silver surging from 38,717 to 266,127 (↑) by 28th Feb 2026.
- The Copper Index followed a highly cyclical but ultimately positive long-term trajectory, appreciating from baseline lows of 244.80 to finish at 1,241.25 (↑) on the final recorded date.
- Vertical timelines confirm that despite interim volatility and sharp downward movements (↓) in mid-cycle years (e.g., 2008, 2020), all three indices peaked at their maximum historical values precisely at the close of the dataset.

Source: Bloomberg | Between 28th February 2006 - 28th February 2026

Headline Inflation Cools Sharply on Food Price Deflation



Key Highlights

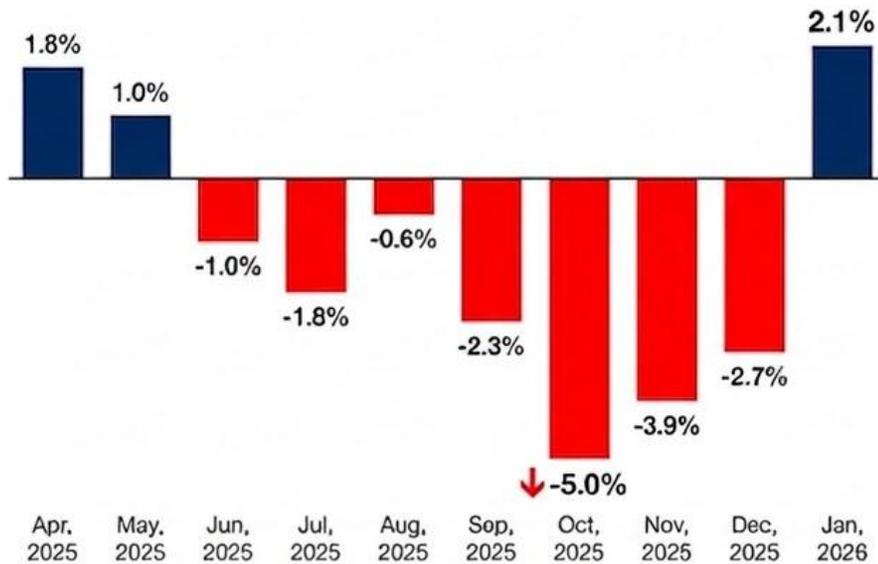
Headline CPI aligned closely with WPI contractions (↓) in late 2025, reaching a definitive zero-growth trough in October, before both indicators demonstrated a synchronized recovery (↑) into Q1 2026.

Source: Bloomberg, Central Statistical office of India | April 2025 - January 2026

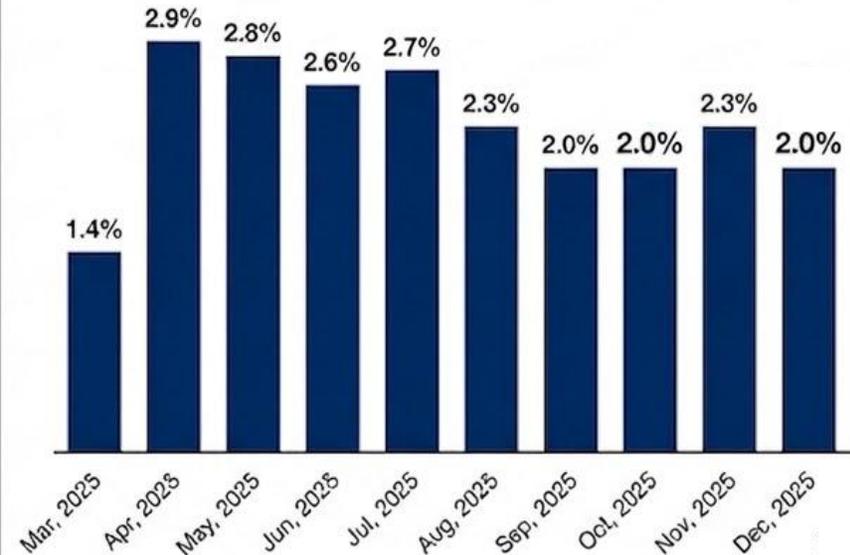
Source: Bloomberg, Ministry of Statistics and Programme Implementation (MOSPI) | April 2025 - January 2026

Diverging Trends: Fuel CPI Recovery vs. Weak WPI Inflation

Food CPI (YOY)



Energy CPI (YOY)



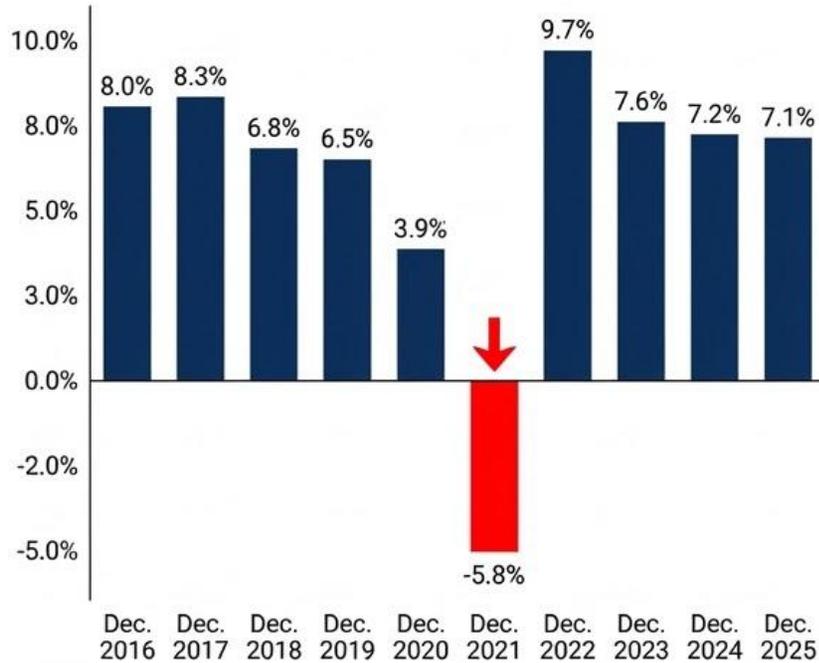
Key Highlights

A severe seven-month contraction in Food prices (↓) was the primary anchor on overall macroeconomic inflation, contrasting sharply with structural resilience in Energy costs (↑) which remained firmly positive throughout the entire period.

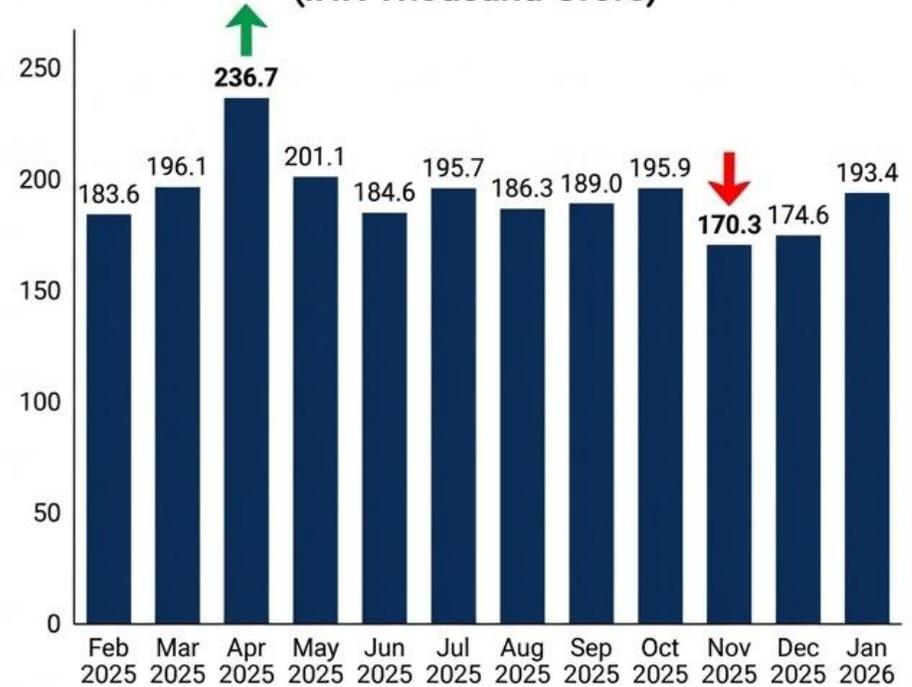
Source: Bloomberg, Central Statistical office of India | April 2025 - January 2026

Source: Bloomberg, Central Statistical office of India | March 2025 - December 2025

India Annual GDP Constant 2011-12 Prices YoY



Monthly GST Collection (INR Thousand Crore)



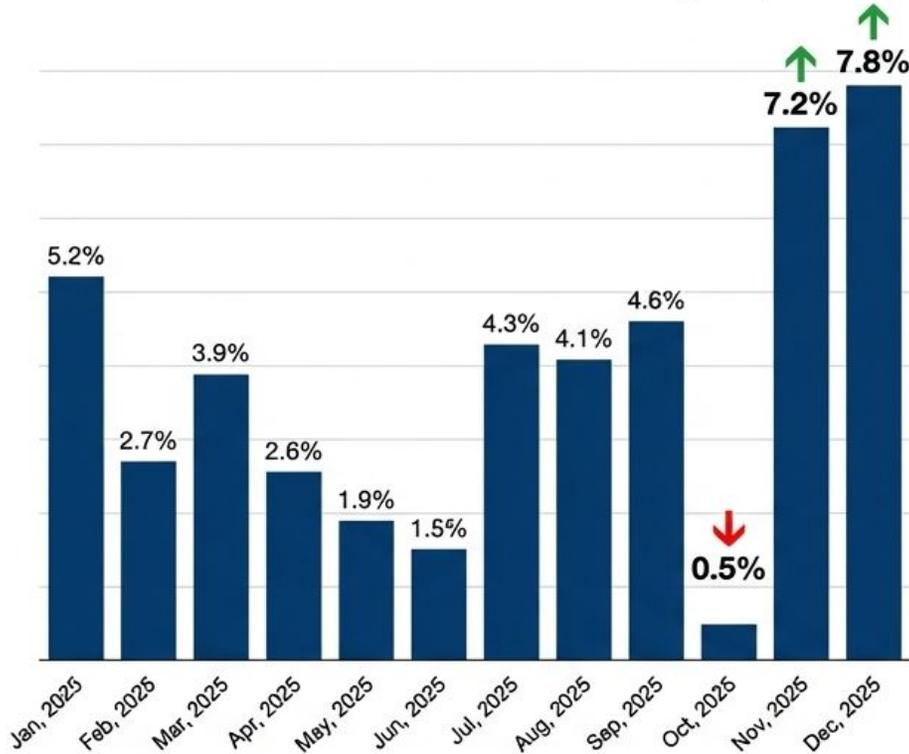
Key Highlights

Annual GDP growth exhibits stabilization at 7.1% in Dec 2025, recovering fully from the distinct -5.8% contraction in 2021 (↓). Concurrently, Monthly GST Collections show expected volatility, surging to a high of 236.7 INR Thousand Crore in Apr 2025 (↑) before contracting to 170.3 in Nov 2025 (↓).

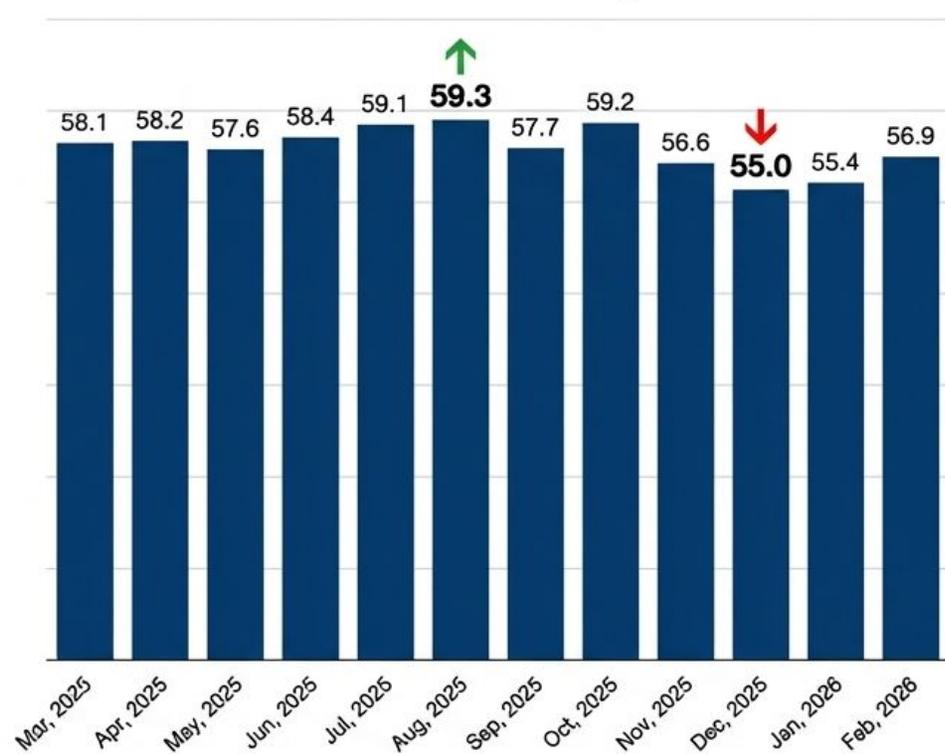
Source: Bloomberg, Central Statistical office of India, CMIE | Dec 2016 - Dec 2025

Source: Bloomberg, Press Information Bureau of India, Official website of GST | February 2025 - January 2026

India Industrial Production (YoY)



India Manufacturing PMI



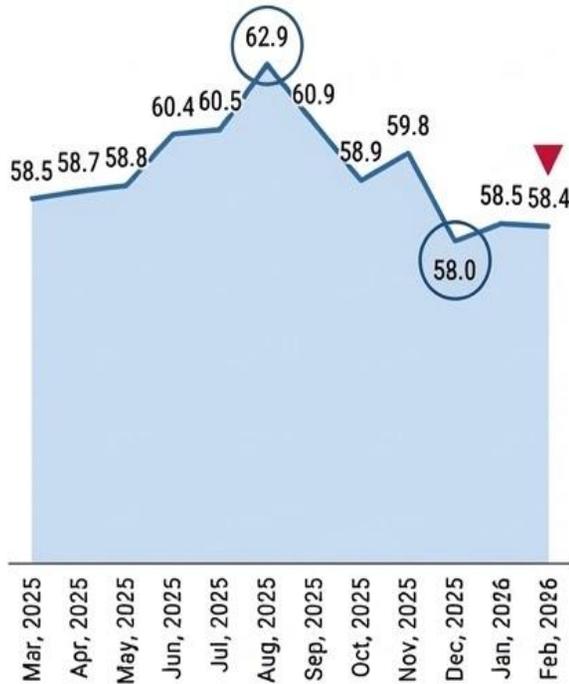
Key Highlights

Industrial Production (YoY) slowed significantly to 0.5% (↓) in Oct 2025 before executing a sharp acceleration to 7.8% (↑) by Dec 2025. Manufacturing PMI remained consistently in expansion territory throughout the period, reaching a high of 59.3 (↑) in Aug 2025 before dipping to 55.0 (↓) in Dec 2025 and slightly recovering to 56.9 (↑) in Feb 2026.

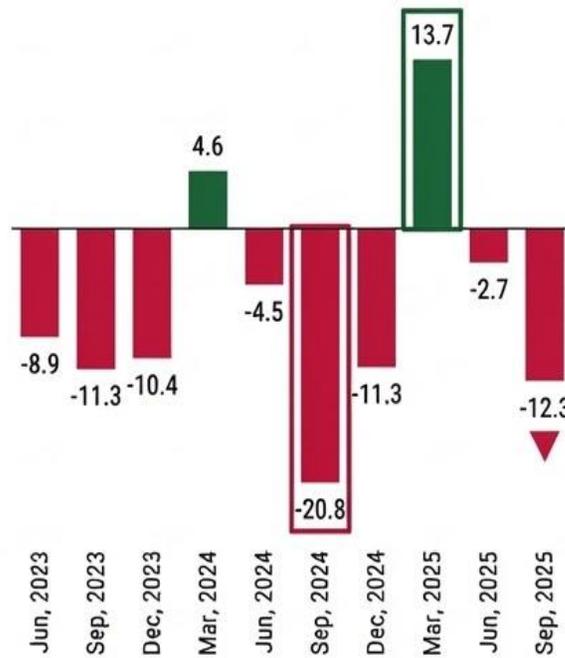
Source: Bloomberg, Central Statistical office of India | January 2025 - December 2025

Source: Bloomberg, S&P Global | March 2025 - February 2026

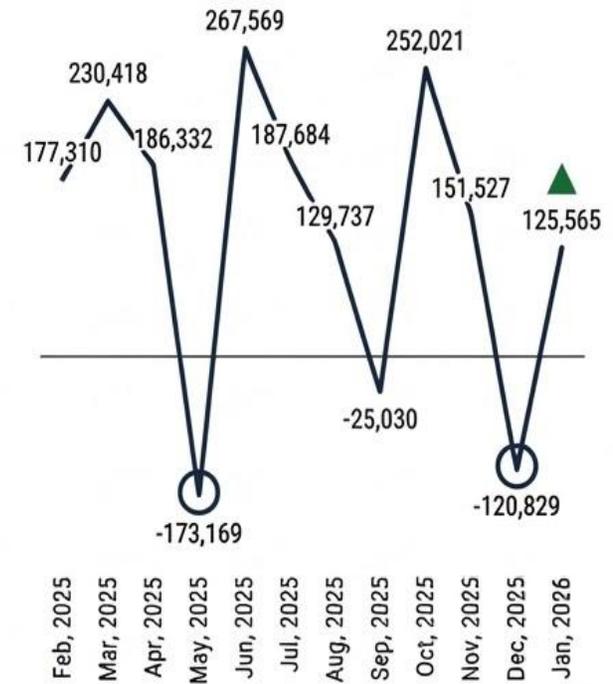
India Services PMI



India Balance of Payments – Current Account (USD Billion)



India Govt Finances Fiscal Deficit (INR Crores)



Key Highlights

- **Services Sector Strength:** PMI indicates sustained economic expansion, remaining well above the 50-point threshold throughout the period, reaching a peak of 62.9 in August 2025 before stabilizing near 58.4.
- **External Account Volatility:** The Current Account remains largely in deficit, with notable volatility; however, March quarters (Mar '24 and Mar '25) show sharp reversals into surplus, with Mar '25 recording a high of 13.7 Billion USD.
- **Fiscal Oscillation:** Government finances display extreme monthly swings, alternating between deficits exceeding 250,000 INR Crores (Jun, Oct) and significant surpluses in May and December 2025.

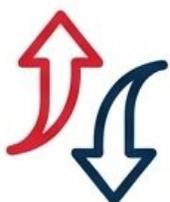
Source: Bloomberg, S&P Global | March 2025 - February 2026

Source: Bloomberg, Reserve Bank of India | Jun 2023 - Sep 2025

Source: Bloomberg, Controller General of Accounts | February 2025 - January 2026



India yields stabilize with positive slope



Divergent global yields; China trends downward



Gold hits records; crude oil moderates



Headline inflation cools via food deflation



Strong PMI signals sustained economic recovery



Fiscal deficits show expected seasonal volatility



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