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# Debt Market & Macro Economic Update

January 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



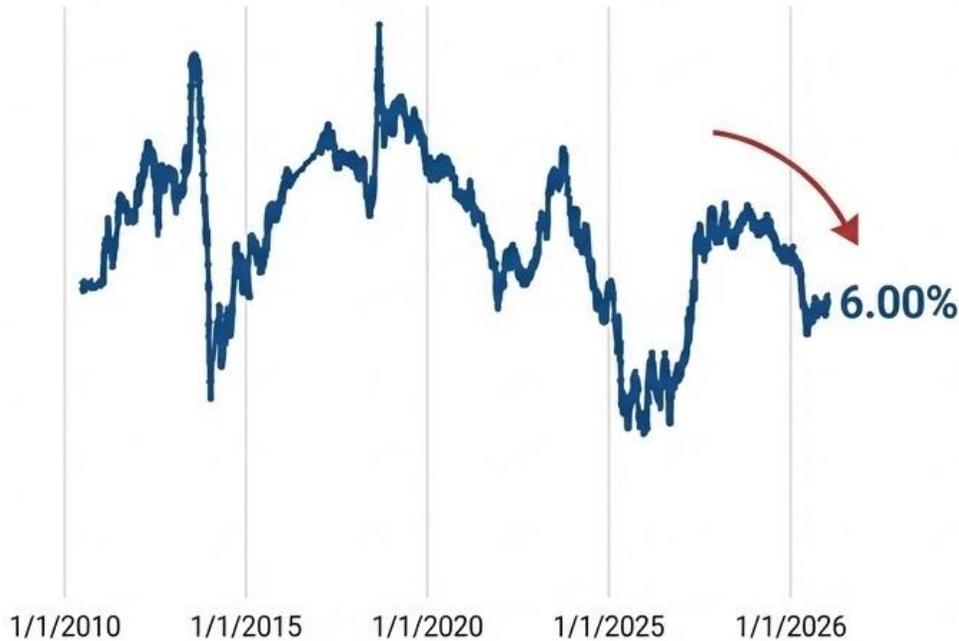
Growth



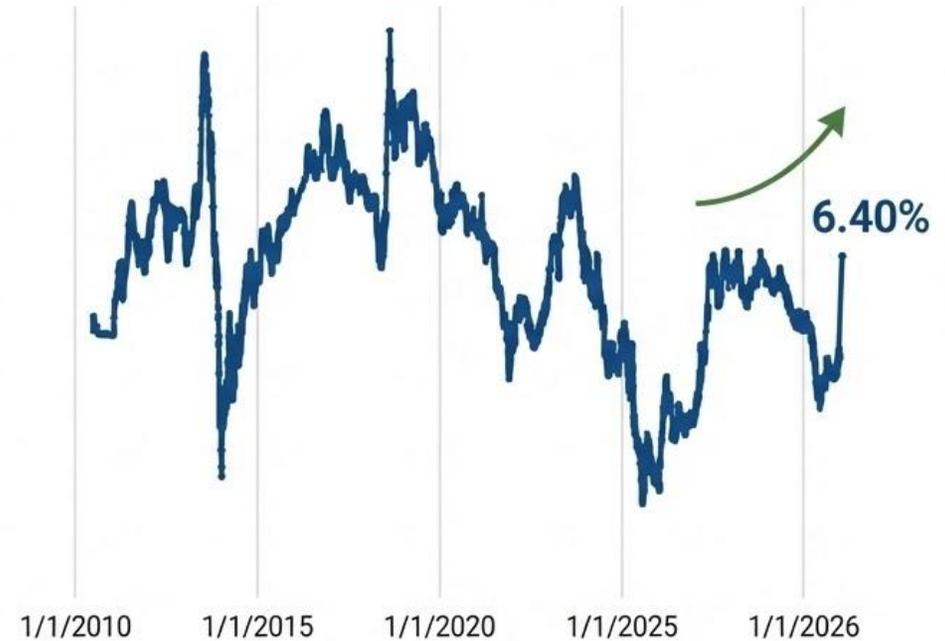
Fiscal

# DEBT MARKET UPDATE

## India 3-Year Gov. Bond Yield (%)



## India 5-Year Gov. Bond Yield (%)



### Key Highlights

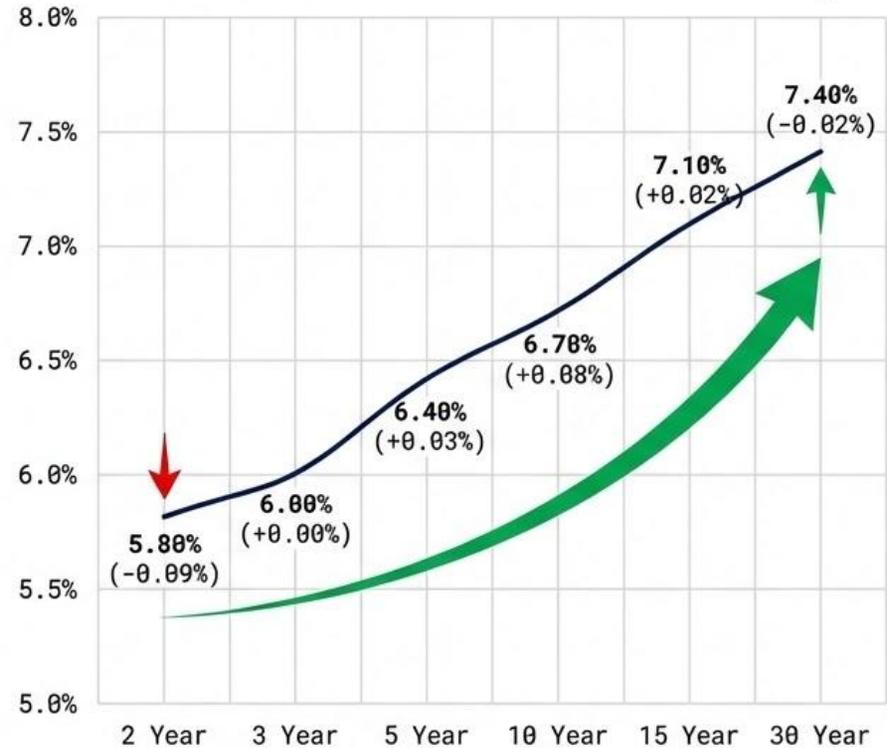
The India 3-Year Government Bond Yield closed at 6.00%, reflecting a recent decline. The India 5-Year Government Bond Yield closed at 6.40%, showing a positive growth trend. Both maturities display significant volatility peaks around 2013-2014 and 2018, with a stabilization trend leading into 2026.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

### India 10-Year Government Bond Yield (%)



### India Government Bond Yield vs Maturity



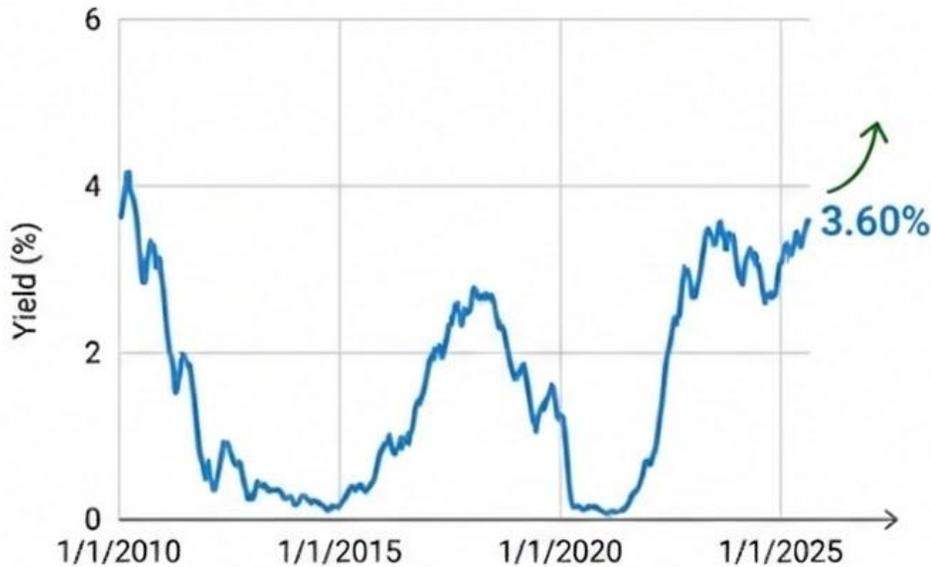
#### Key Highlights

The 10-Year Benchmark Yield is currently 6.70%. The Yield Curve demonstrates a positive slope, with yields rising from 5.80% (2-Year) to 7.40% (30-Year). Short-term maturities (2-Year) reflect a decrease of 0.09%, while the 10-Year benchmark reflects an increase of 0.08%.

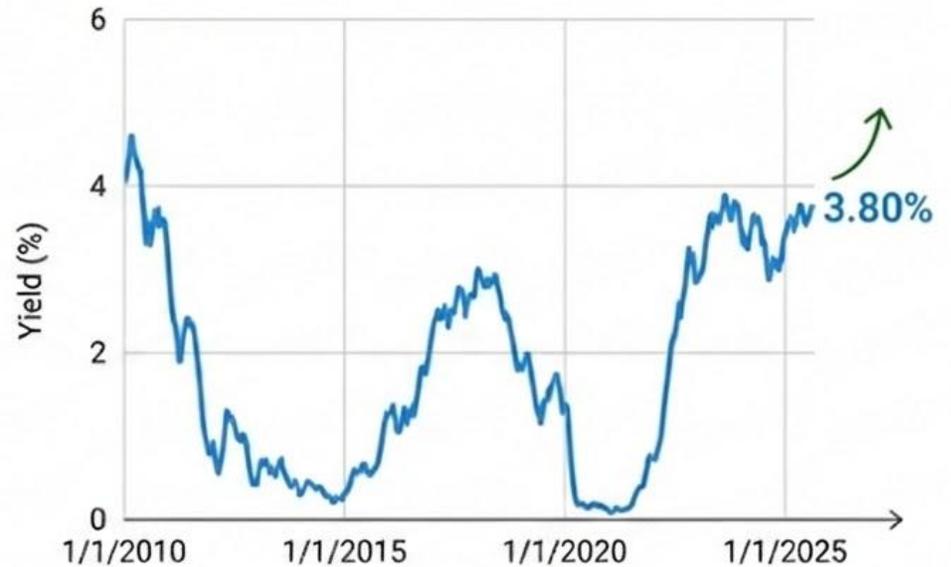
Source: Bloomberg | Between 31st January 2006 - 31st January 2026

Source: Bloomberg. Yield is as of 31st January 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st December 2025 and 31st January 2026.

## US 3-Year Government Bond Yield (%)



## US 5-Year Government Bond Yield (%)



### Key Highlights

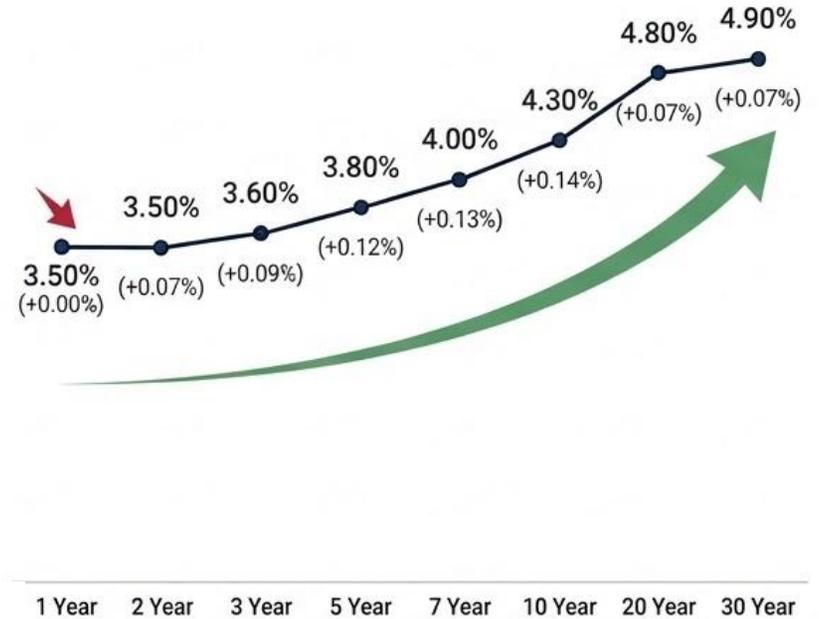
Short-to-medium term borrowing costs show upward momentum entering 2026. The 3-Year yield has reached 3.60%, while the 5-Year yield has climbed to 3.80%, reflecting a consistent rising trend across these maturities.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

## US 10-Year Government Bond Yield (%)



## US Government Bond Yield vs Maturity

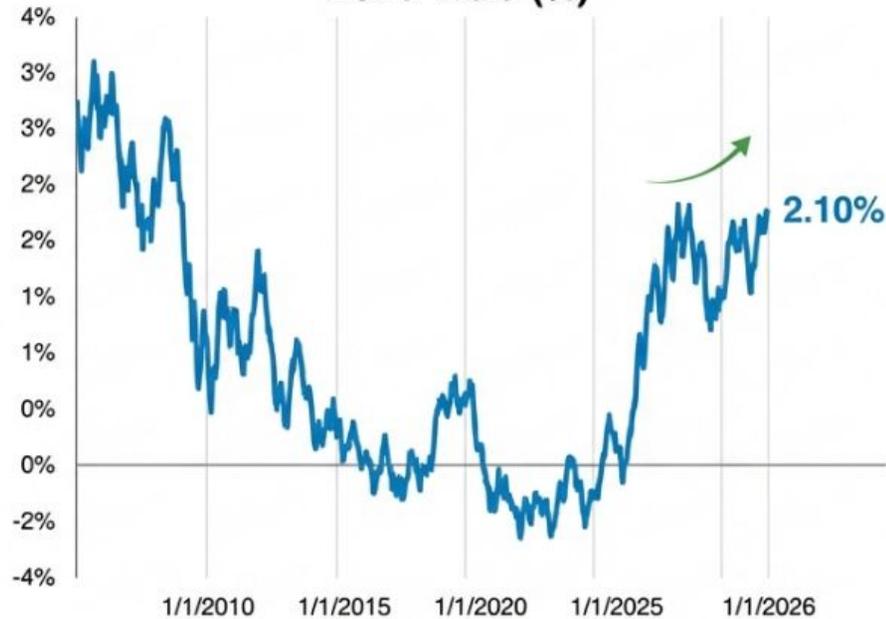


**Key Highlights:** The 10-Year benchmark yield reached 4.30%. The Yield vs. Maturity curve shows a positive slope, with yields ranging from a low of 3.50% on 1-Year notes to a high of 4.90% on 30-Year bonds. The 10-Year note showed the highest relative change in yield (+0.14%).

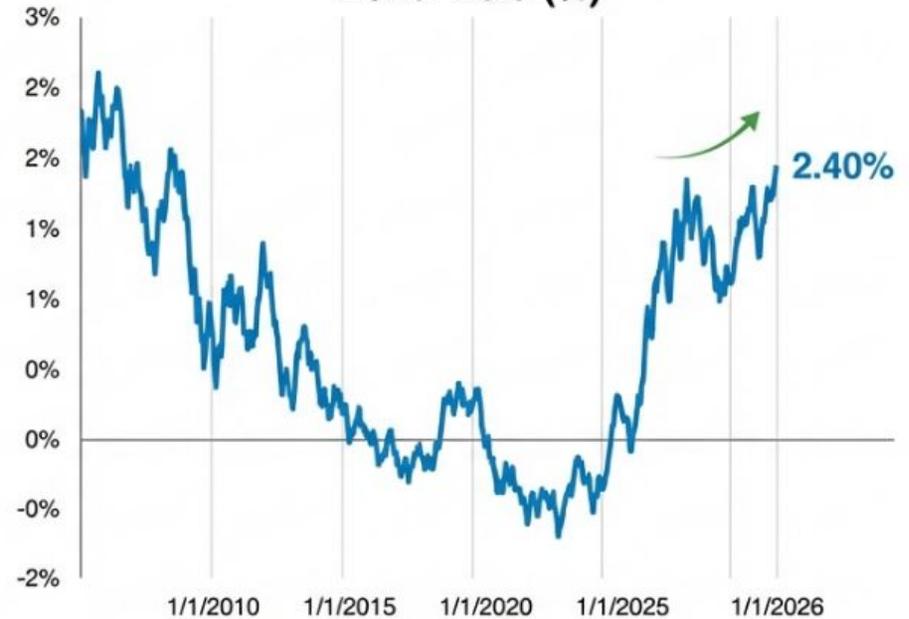
Source: Bloomberg | Between 31st January 2006 - 31st January 2026

Source: Bloomberg. Yield is as of 31st January 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st December 2025 and 31st January 2026.

### Euro 3-Year Generic Government Bond Yield (%)



### Euro 5-Year Generic Government Bond Yield (%)

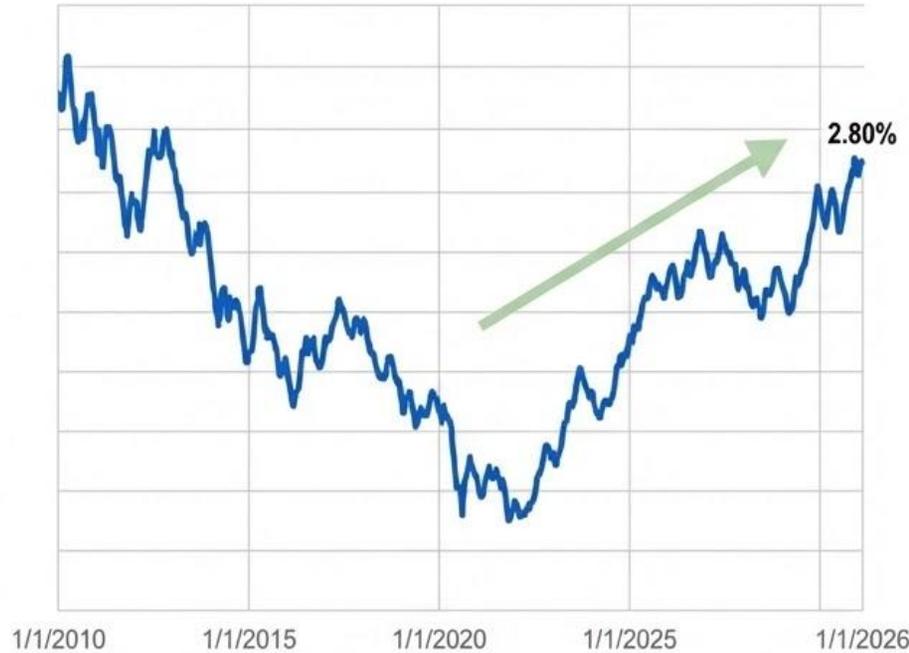


#### Key Highlights

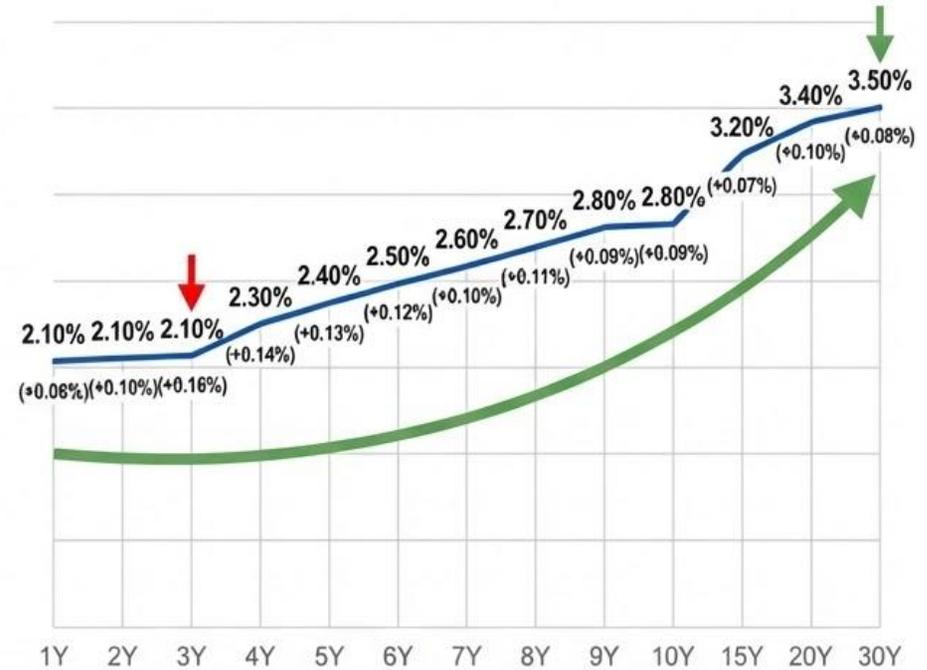
- Eurozone short-to-medium term yields have trended upward, recovering from historical lows.
- The 3-Year yield closed at 2.10% as of Jan 30, 2026.
- The 5-Year yield closed at 2.40% as of Jan 30, 2026, maintaining a positive spread over the 3-Year note.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

## Euro 10-Year Generic Government Bond Yield (%)



## Europe Government Bond Yield vs Maturity



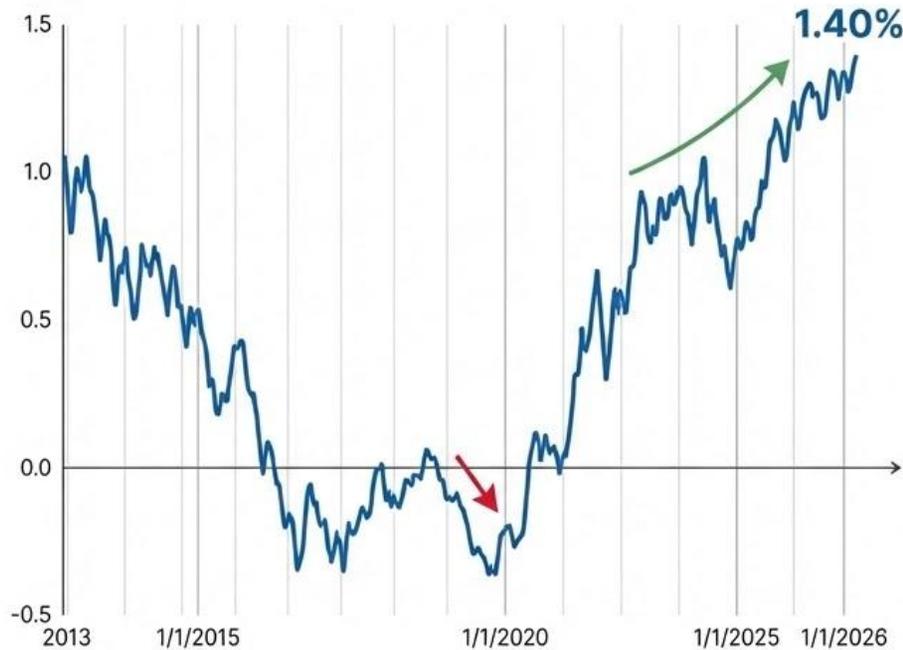
### Key Highlights

- The 10-Year Benchmark yield closed at 2.80%, serving as the anchor for the long end of the curve.
- The Term Structure is positive and upward sloping, with a 140 basis point spread between the 1-Year (2.10%) and 30-Year (3.50%) yields.
- Yield changes remain positive across all maturities, ranging from +0.06% at the short end to +0.16% in the 3-Year sector.

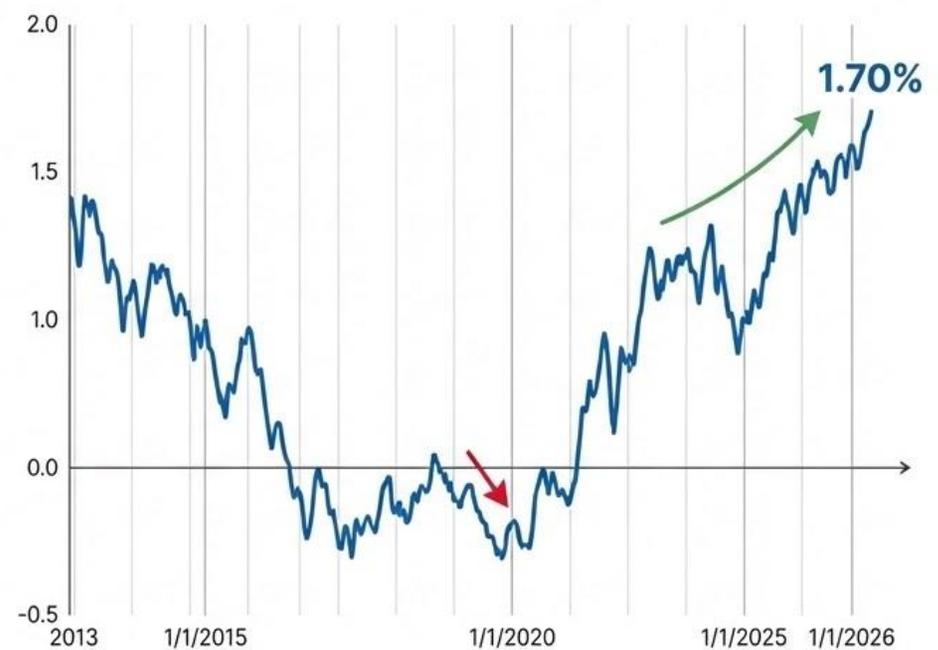
Source: Bloomberg | Between 31st January 2006 - 31st January 2026

Source: Bloomberg. Yield is as of 31st January 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st December 2025 and 31st January 2026.

## Japan 3-Year Gov. Bond Yield (%)



## Japan 5-Year Gov. Bond Yield (%)

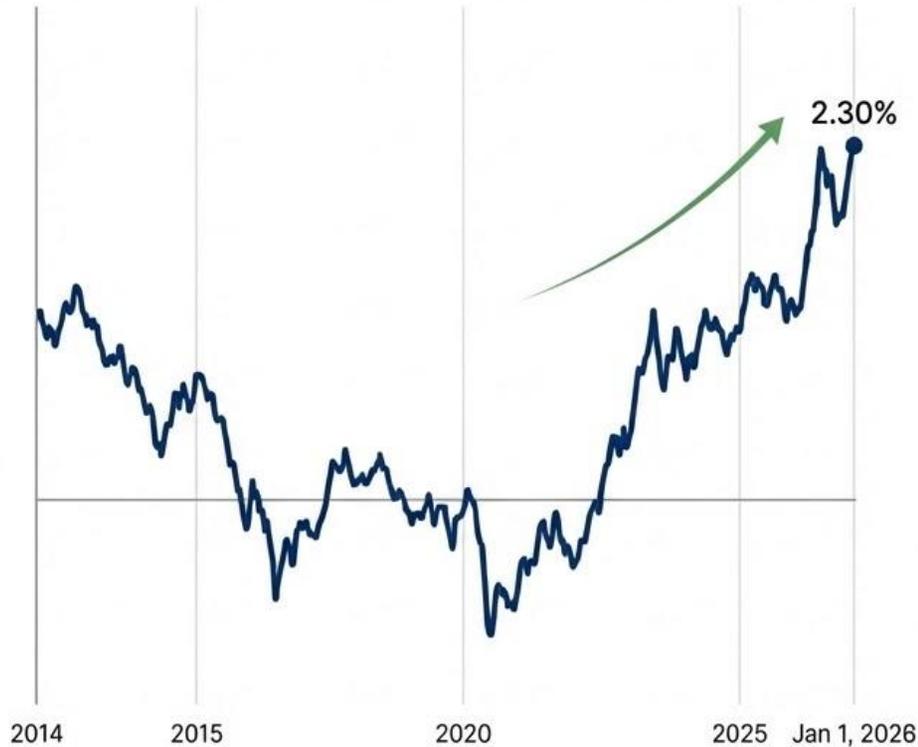


### Key Highlights

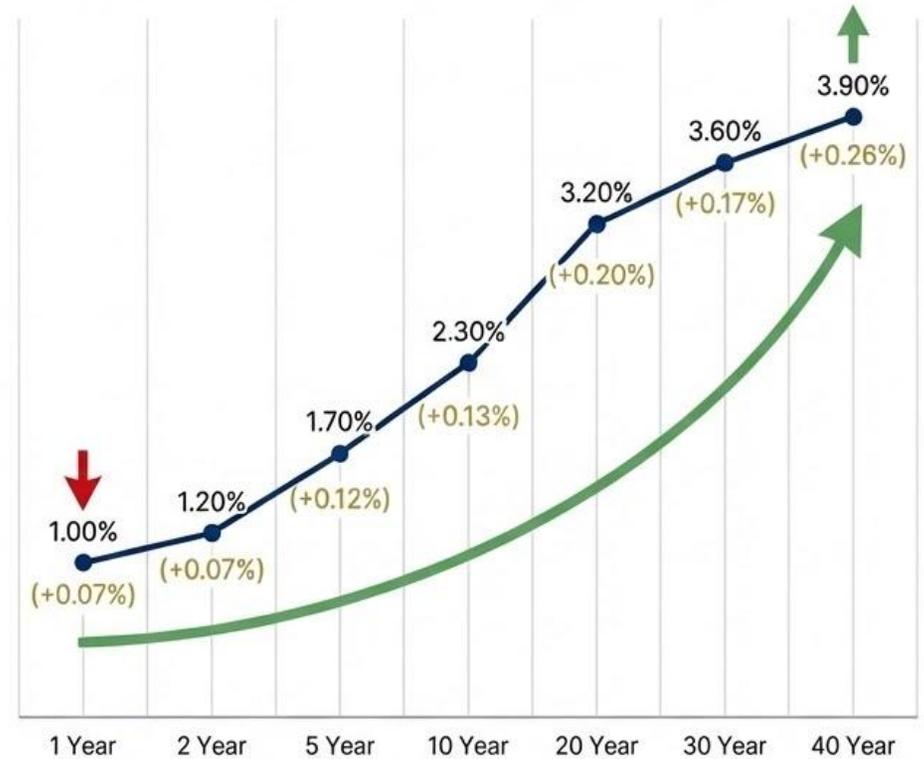
Japan's short-to-medium term government bond yields demonstrate a definitive upward trajectory, with the 3-Year yield climbing to **1.40%** and the **5-Year** yield reaching **1.70%** by early 2026. Volatility has stabilized into a consistent growth trend post-2020 lows.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

## Japan 10-Year Gov. Bond Yield (%)



## Japan Government Bond Yield vs Maturity



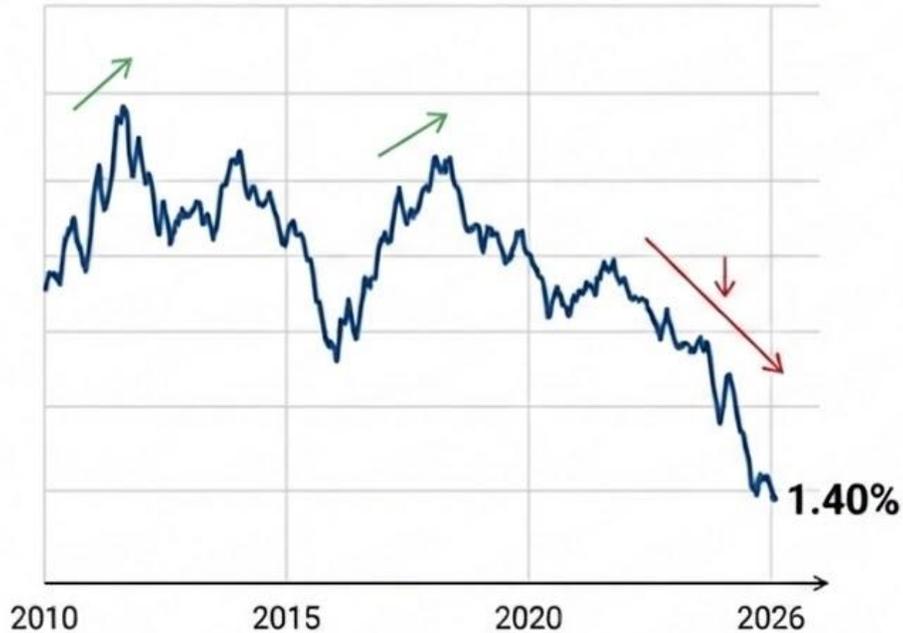
### Key Highlights

The 10-Year benchmark yield stands at 2.30% as of Jan 30, 2026. The Yield Curve demonstrates a positive slope, spanning from a low of 1.00% (1-Year) to a high of 3.90% (40-Year). Positive momentum is observed across all maturities, with the 40-Year bond showing the largest increase in yield (+0.26%).

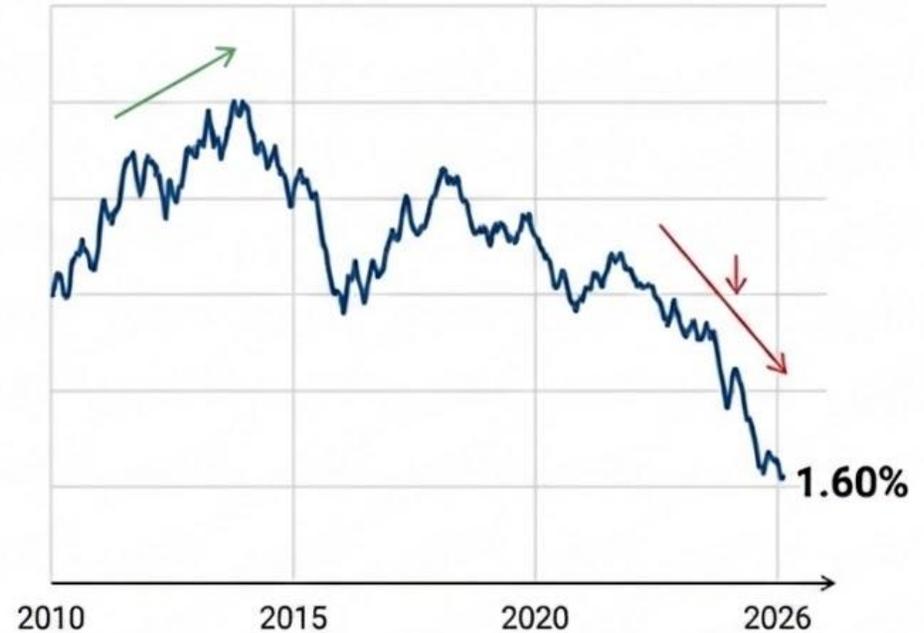
Source: Bloomberg | Between 31st January 2006 - 31st January 2026

Source: Bloomberg. Yield is as of 31st January 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st December 2025 and 31st January 2026.

## China 3-Year Government Bond Yield (%)



## China 5-Year Government Bond Yield (%)

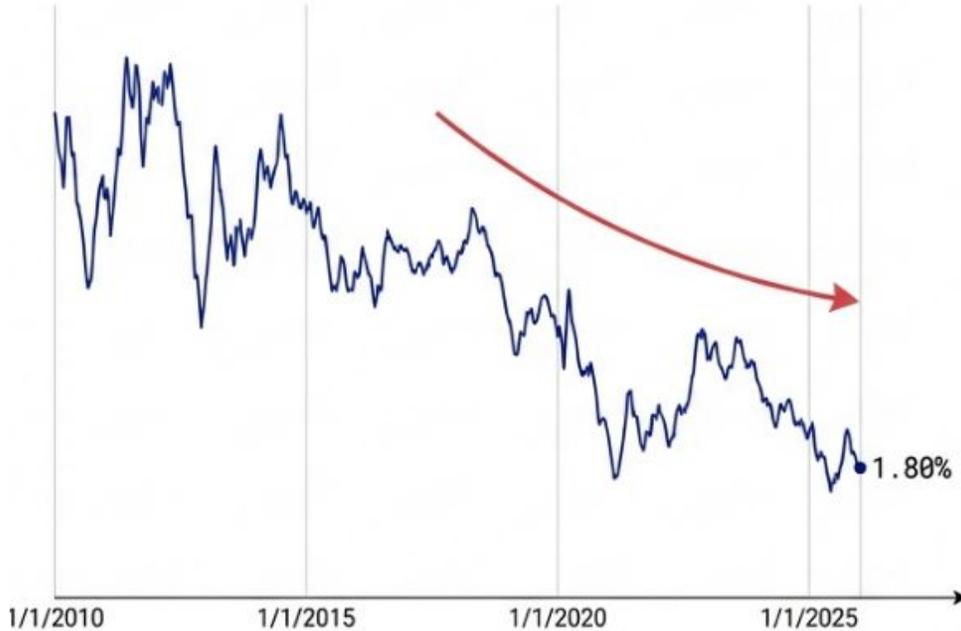


### Key Highlights

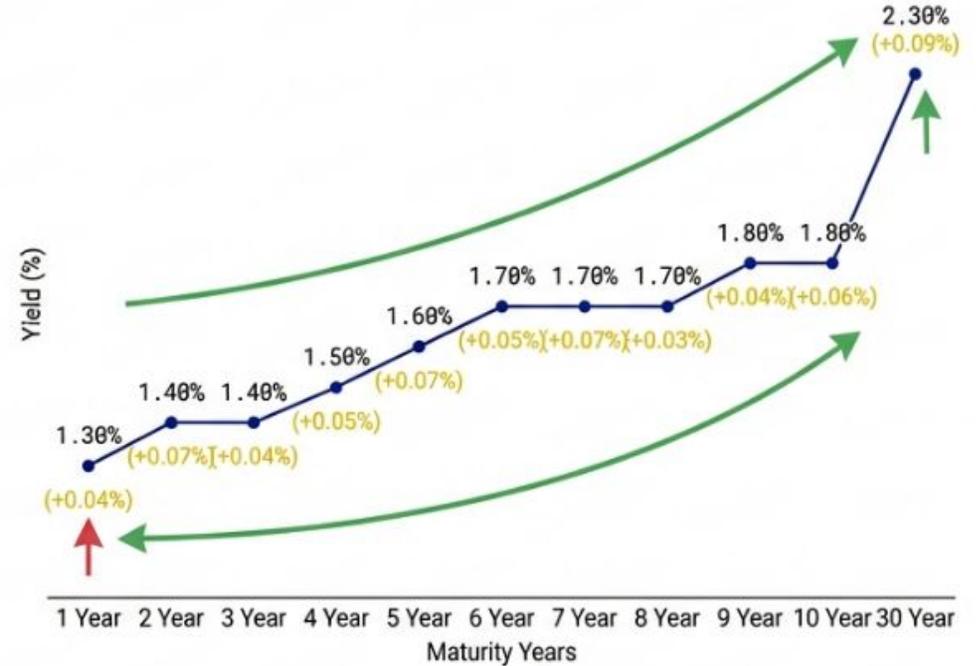
Yields have adjusted to recent lows, with the 3-Year benchmark settling at 1.40% and the 5-Year at 1.60% as of late January 2026. The trajectory indicates a stabilization in short-to-medium term funding costs following prior volatility.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

## China 10-Year Government Bond Yield (%)



## China Government Bond Yield vs Maturity



### Key Highlights

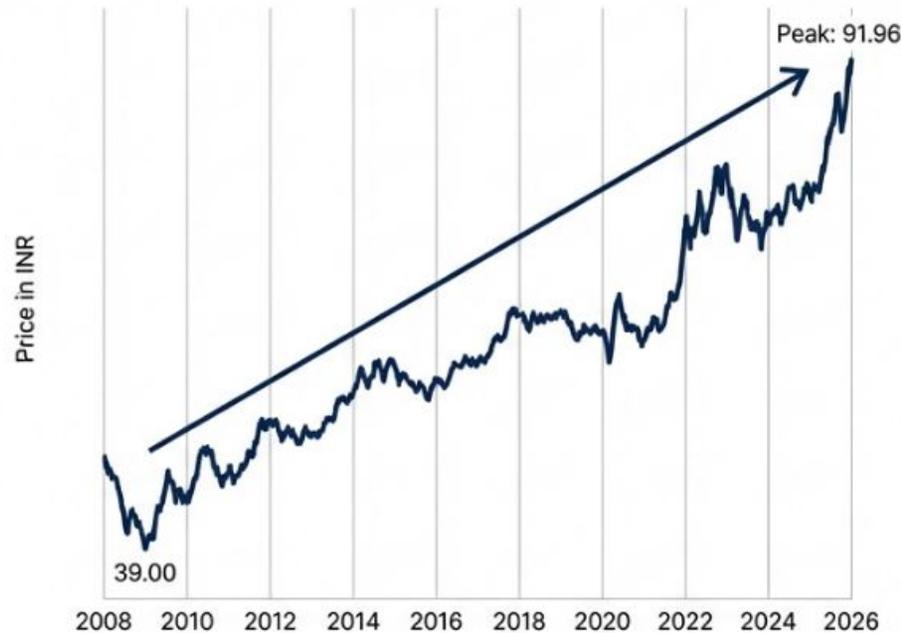
The 10-Year benchmark yield is currently 1.80%. The Yield Curve displays a positive slope, spanning from a low of 1.30% for the 1-Year maturity to a high of 2.30% for the 30-Year maturity. All tenors across the curve show positive daily changes, with the 30-Year bond showing the largest shift at +0.09%.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

Source: Bloomberg. Yield is as of 31st January 2026. Change in Yield (%) is calculated as the difference in the yields as on 31st December 2025 and 31st January 2026.

# MACRO ECONOMIC UPDATE

### USD Rate (INR/USD)



### Brent Crude (USD/Bbl)



#### Key Highlights

- USD/INR Exchange Rate demonstrates a consistent long-term upward trend (↑), reaching a dataset high of 91.96 on Jan 29, 2026.
- Brent Crude Oil prices exhibit significant volatility, declining (↓) from historical highs of 146.08 (July 2008) to settle at 72.72 by Jan 30, 2026.

Source: Bloomberg | Between 31st January 2006 - 31st January 2026

### MCX Gold Index (INR / 10 gm)



### MCXSILV Index (INR/ per kg)



### MCX Copper Index (INR/ per kg)



#### Key Highlights

- MCX Gold Index closed at 164389 on 1/30/2026, marking a sharp decline (↓) from the previous day's peak of 175231.
- Silver displayed significant volatility, reaching a high of 379983 on 1/29/2026 before correcting to 333292 (↓).
- Copper Index maintains a long-term upward trend (↑), closing at 1284.35 after touching a high of 1343.35.

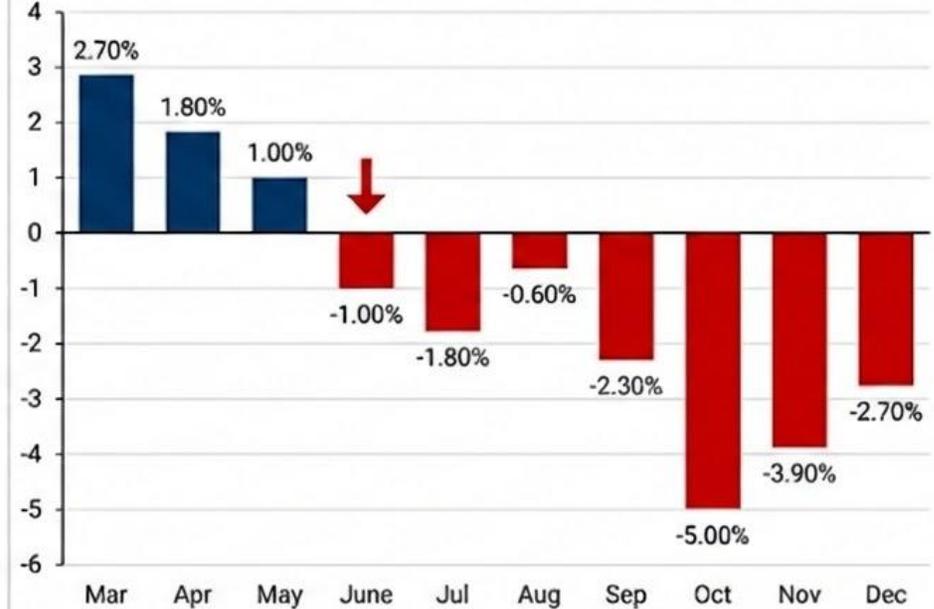
Source: Bloomberg | Between 31st January 2006 - 31st January 2026

# Headline Inflation Cools Sharply on Food Price Deflation

### India CPI Combined YoY



### India Combined Food CPI YoY



#### Key Highlights

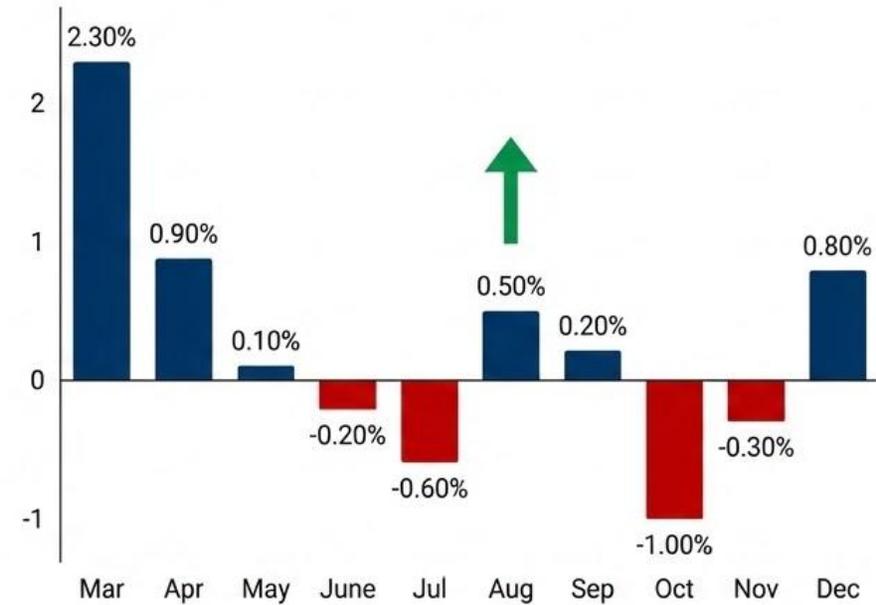
Headline CPI trends downward (↓), reaching a low of 0.30% in October. This tracks closely with Food CPI, which enters deflationary territory in June (-1.00%) and remains negative through December, bottoming at -5.00%.

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

## India CPI YoY% - Energy



## India Wholesale Price Index All Commodities YoY



**Key Highlights**  
 Fuel and Lighting inflation spikes to 2.90% in April (↑) and stays positive throughout the period. In contrast, WPI exhibits significant volatility, oscillating between positive and negative values, hitting a low of -1.00% in October (↓).

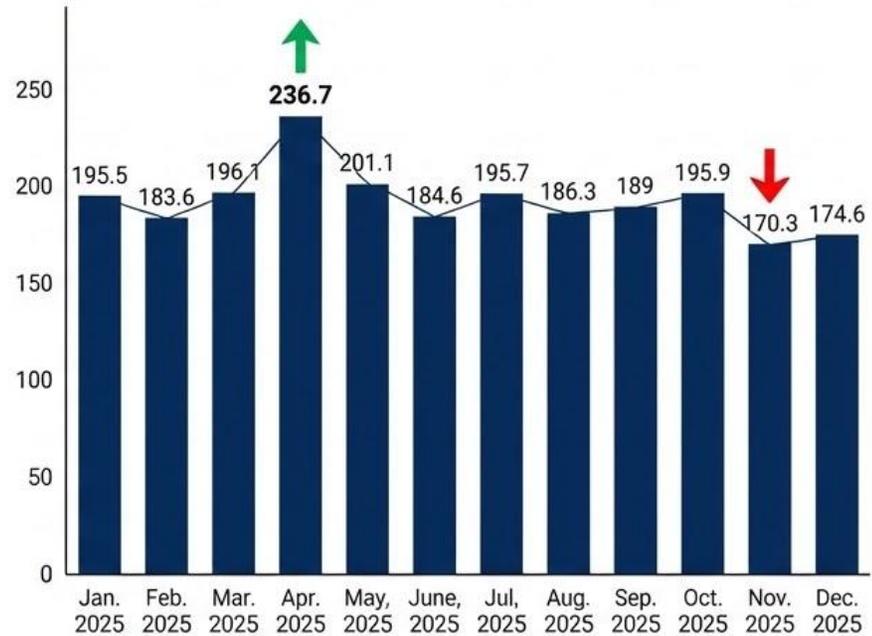
Source: Bloomberg, Central Statistical office of India | March 2025 - December 2025

Source: Bloomberg, Ministry of Statistics and Programme Implementation (MOSPI) | March 2025 - December 2025

### India Annual GDP Constant 2011-12 Prices YoY



### Monthly GST Collection (INR Thousand Crore)



#### Key Highlights

GDP Annual Growth stabilized at 6.50% in Dec, 2025 following the significant recovery from the -5.80% contraction in 2021. Monthly GST Collections displayed high volatility, reaching a peak of 236.7 INR Thousand Crore in Apr, 2025 (↑) before dropping to 170.3 in Nov, 2025 (↓).

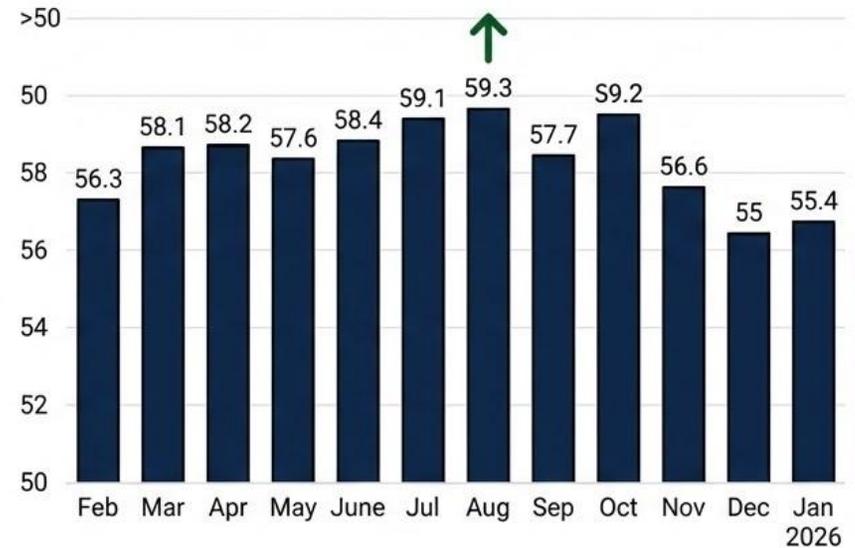
Source: Bloomberg, Central Statistical office of India, CMIE | Dec 2016 - Dec 2025

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

## India Industrial Production (YoY)



## India Manufacturing PMI



### Key Highlights

Industrial Production exhibits a sharp Q4 recovery, surging to 7.80% YoY in December **↑** after mid-year lows. Manufacturing sentiment remains robustly in expansion territory (>50), peaking at **59.3 in August** and sustaining momentum into Jan 2026.

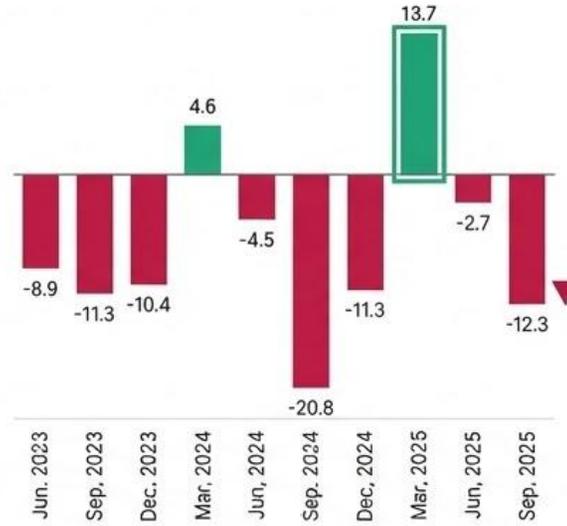
Source: Bloomberg, Central Statistical office of India | January 2025 - December 2025

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

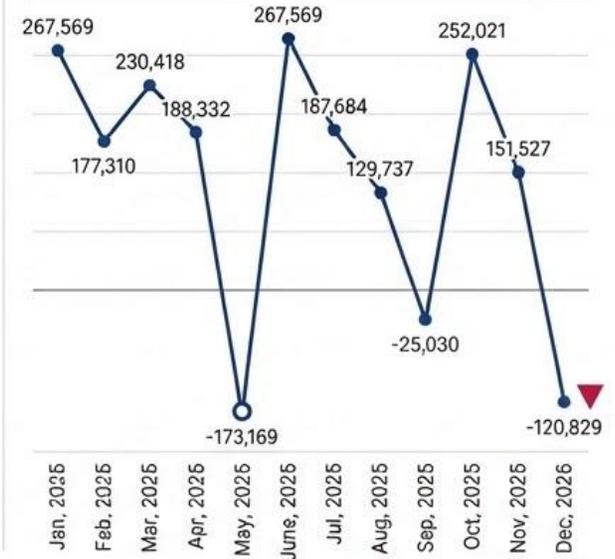
### India Services PMI



### 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 60.
- **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 (Jan, Jun, Oct) and significant surpluses in May and December 2025.

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

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

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



**India Yields:** Stabilization with a positive yield curve slope



**Global Trends:** Rising yields in US/EU; China diverges downward



**Commodities:** Gold hits record highs; Crude oil remains moderate



**Inflation:** Headline CPI cools significantly, driven by food deflation



**Economic Activity:** Strong PMI and sustained industrial recovery



**Fiscal Health:** Seasonality in deficits with balance of payments volatility



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