



marketbuzz

CONTENT

INDIAN ECONOMY	1
INDIAN EQUITY MARKET	2
INDIAN FIXED INCOME	3
GLOBAL EQUITY MARKET	5
GLOBAL FIXED INCOME	5
CURRENCY	6
COMMODITY	6

[View from the Top](#)

On the global, U.S. equity markets rose on optimism surrounding lower interest rates, fueling strength on Wall Street following the Federal Reserve's decision to cut rates by a quarter point on Sep 17, 2025. The U.S. Federal Reserve also signaled two additional rate cuts later this year, further boosting investor sentiment. Additional gains were driven by strong momentum in the technology sector. However, gains were capped by uncertainty over the near-term outlook for the artificial intelligence trade. Concerns about high valuations continued to weigh on sentiment, especially after comments from the Federal Reserve Chair suggesting that stock prices may be overvalued. European equity markets closed on a mixed note. Stocks rose on expectations of further monetary easing by the U.S. Federal Reserve. Additionally, investors monitored trade developments and positioned themselves ahead of upcoming policy guidance and growth signals. However, gains were limited by concerns over the U.S. administration's trade policy and uncertainty surrounding the Federal Reserve's interest rate trajectory. Asian equity markets mostly rose during the month. The Japanese market advanced after minutes from the Bank of Japan's Jul 2025 meeting indicated that policymakers remain inclined to resume interest rate hikes if economic and price conditions evolve as expected. The Hong Kong market also gained, driven by a rally in tech stocks amid optimism over AI-driven demand. However, overall gains were limited following a slightly hawkish policy decision by the U.S. Federal Reserve.

Back home, domestic equity markets rose following robust macroeconomic indicators, as India's economy expanded by 7.8% YoY in Q1 FY26, marking the strongest growth in five quarters, while the Services PMI surged to 62.9 in Aug 2025, its highest level in over 15 years, driven by a sharp rise in new orders and resilient demand.

In the domestic debt market, bond yields fell after the government projected a smaller net revenue loss from recent Goods and Services Tax revisions than initially expected, easing fiscal concerns. Reassurances from officials about meeting the fiscal deficit target further supported the positive sentiment. However, gains were restricted despite a 25 bps rate cut by the U.S. Federal Reserve in its Sep 2025 policy meeting, as hawkish commentary from the Fed Chair overshadowed the rate cut.

Outlook

The direction of domestic equities will be influenced by global trade developments, particularly the evolving U.S. tariff stance, and the second quarter corporate earnings for fiscal year 2026. The festive season is expected to support consumption, while early signs of rural recovery, reflected in lower participation under the Mahatma Gandhi National Rural Employment Guarantee Act, suggest improving employment conditions. A consumer-focused fiscal stimulus continues to drive demand, and if corporate results align with this momentum, the next quarter may present a stable to moderately positive market environment. External risks such as trade tensions and foreign capital flows remain important indicators to monitor.

The outlook for domestic debt market remains cautiously optimistic amid a mix of global and local influences. While trade negotiations with the U.S. continue to introduce uncertainty and rupee depreciation may elevate inflation risks, domestic factors are providing a counterbalance. The expected moderation in inflation driven by GST rate rationalization has created scope for an additional rate cut by the RBI in the current easing cycle. Furthermore, the government's borrowing strategy for the second half of the fiscal year, particularly the reduced issuance of long-term securities, is likely to support demand and maintain a favorable tone across the yield curve. These developments suggest a supportive environment for debt investors, although vigilance around external risks remains essential.

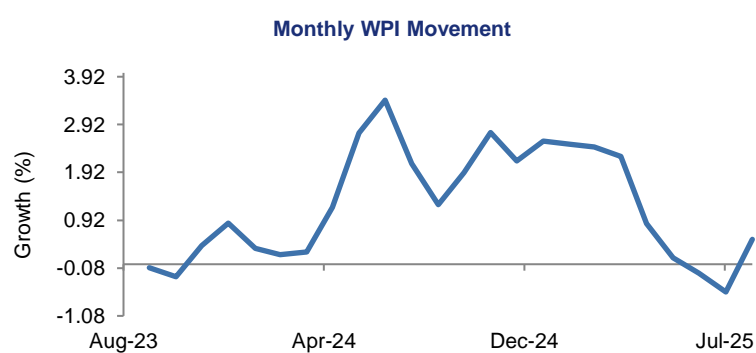
We are pleased to bring to you the latest version of the Monthly Market Buzz for September. Happy Reading!!!

Mr. Narendra Agrawal
Head - Branch Banking & Retail Liabilities
Retail Branch Banking

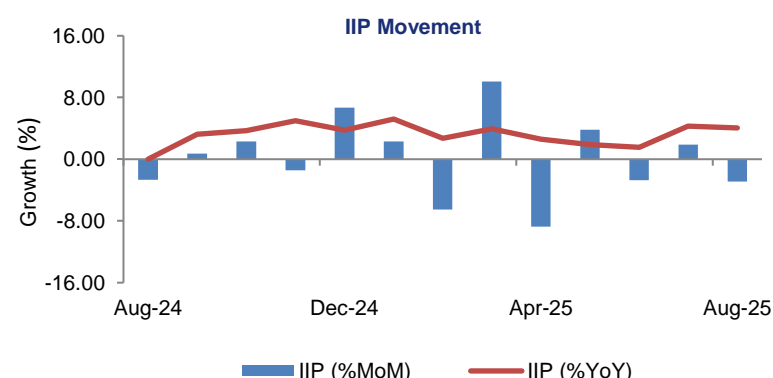


INDIAN ECONOMY

Economic Releases in September-2025			
Key Indicator	Period	Actual	Previous
Repo Rate	Sep-25	5.50%	5.50%
Reverse Repo	Sep-25	3.35%	3.35%
CRR	Sep-25	3.75%	4.00%
Index of Industrial Production (IIP)	Aug-25	4.00%	4.30%
Wholesale Price Index Inflation(WPI)	Aug-25	0.52%	-0.58%
Export (Y-o-Y)	Aug-25	1.12%	9.59%
Import (Y-o-Y)	Aug-25	-4.30%	12.37%
Source: RBI, Refinitiv			



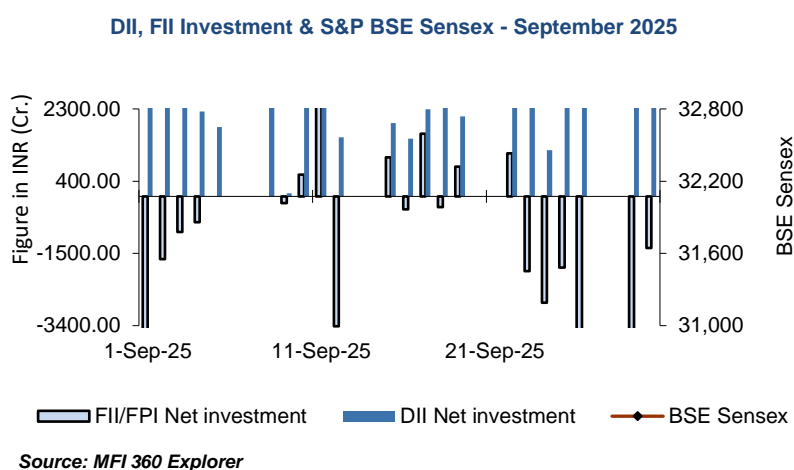
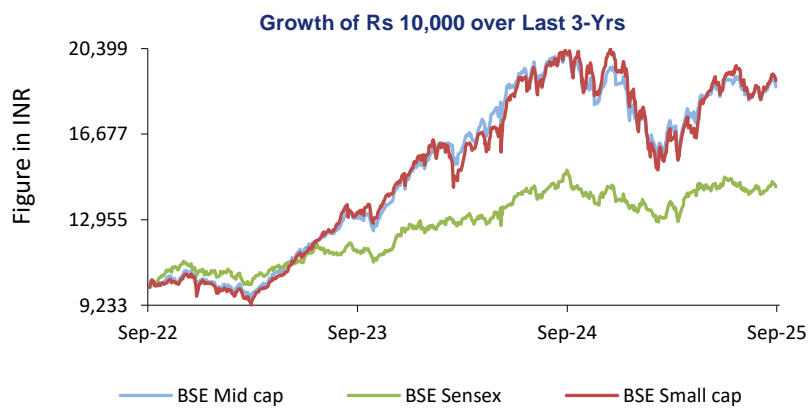
Source: Office of the Economic Adviser, Ministry of Commerce & Industry



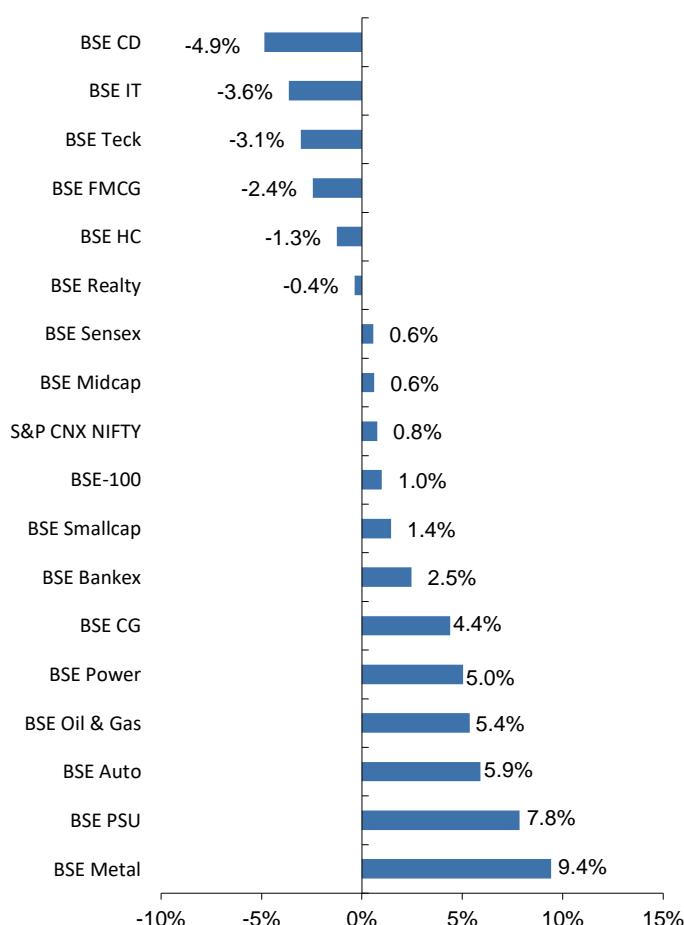
Source: Reuters

- The Monetary Policy Committee (MPC) in its fourth bi-monthly monetary policy review of FY26 decided to maintain the policy repo rate at 5.50%. Consequently, the standing deposit facility (SDF) rate under the liquidity adjustment facility (LAF) remains unchanged at 5.25% and the marginal standing facility (MSF) rate and the Bank Rate at 5.75%, with the Committee also decided to continue with the neutral stance. The MPC deemed it prudent to allow time for the effects of recent policy measures to materialize and for greater clarity to emerge before determining its next course of action.
- According to the Ministry of Commerce & Industry, the combined Index of Eight Core Industries rose by 6.3% YoY in Aug 2025, accelerating from a revised 3.7% increase in Jul 2025. Among the eight sectors, steel, cement, and coal recorded growth rates of 14.2%, 6.1%, and 11.4%, respectively.
- The Index of Industrial Production (IIP) grew by 4.0% YoY in Aug 2025, slowing from a revised 4.3% increase in Jul 2025. Within the sectoral breakdown, mining, manufacturing and electricity rose by 6.0%, 3.8% and 4.1% respectively.
- Government data showed that India's fiscal deficit for the period from Apr to Aug of FY26 stood at Rs. 5.98 lakh crore or 38.1% of the Budget Estimates (BE) of the current fiscal. India's fiscal deficit was at 27.0% of the BE in the corresponding period of the previous fiscal year. Total expenditure stood at Rs. 18.81 lakh crore or 37.1% of the BE as compared to 34.3% of the BE in the corresponding period of the previous fiscal year.
- The GST Council has introduced a new three-rate structure effective Sep 22, 2025, with 5% on essentials, 18% on standard goods and services, and 40% on luxury and sin items, making daily-use products cheaper, luxury goods costlier, and aiming to boost consumption while simplifying compliance.
- SEBI has approved several regulatory relaxations to enhance market accessibility and investor participation. Key measures include allowing startup founders to retain ESOPs granted a year before IPO filing, easing PSU delisting norms for entities with over 90% government shareholding, and introducing a new category for foreign portfolio investors (FPIs) investing in government securities. SEBI also scrapped the one-year holding rule for convertible securities and simplified disclosure norms for portfolio managers.
- The government has mandated cybersecurity audits for all cryptocurrency exchanges due to rising cyber heists. These audits are now essential for registration with the Financial Intelligence Unit and aim to strengthen user safeguards amid growing crypto-related cybercrime.
- The National Payments Corporation of India (NPCI) has increased the UPI transaction limit for mutual fund and insurance payments to Rs. 10 lakh per day, with a per-transaction cap of Rs. 5 lakh. Effective Sep 15, 2025, this move enables investors to make high-value investments and premium payments seamlessly via UPI apps, boosting digital adoption in financial services.

Indian Equity Market



Monthly returns as on September 30 2025



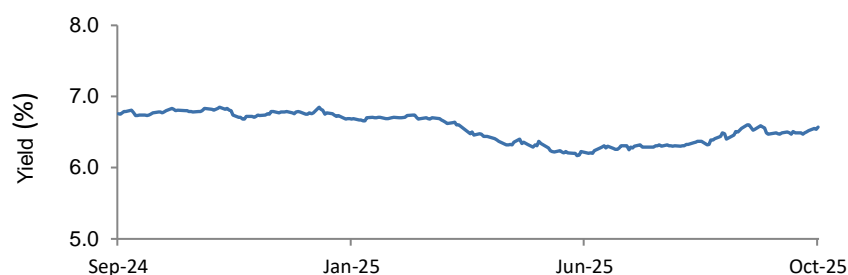
- Indian equity markets opened the month on a strong note, supported by Q1 FY26 GDP growth of 7.8%, the highest in five quarters and well above the consensus estimate of 6.8%, signaling solid economic momentum. Investor sentiment was further lifted by a favorable U.S. court ruling on tariffs.
- Markets briefly turned cautious ahead of the GST Council meeting (Sep 3 to 4), especially after the U.S. President labeled trade ties with India “a totally one-sided disaster.” Despite weak global cues, domestic sentiment was buoyed by Aug 2025 services PMI, which surged to a 15-year high to 62.9, driven by strong new order growth and expectations of a consumption-led boost from GST slab rationalization.
- The GST Council’s decision to simplify the tax structure to 5% and 18%, with a special 40% rate for select items, added to the optimism. Meanwhile, expectations of a U.S. Federal Reserve rate cut gained traction as labor market data softened and inflation remained in check.
- Markets rallied around the U.S. Federal Reserve’s 25 bps rate cut on Sep 17, its first since Dec 2024, bringing the target range to 4.00%–4.25%. The Fed also signaled two additional 25 bps cuts later this year, citing labor market sluggishness and subdued inflation. This dovish stance, combined with progress in India–U.S. trade negotiations, a stronger rupee, and a weaker dollar, supported investor sentiment.
- However, the rally faded as the U.S. administration announced a steep \$100,000 H-1B visa fee, triggering a sell-off in IT stocks and raising concerns over offshore cost pressures. The market came under further pressure from foreign fund outflows, rising crude prices, and geopolitical tensions, including accusations against India over Russian oil purchases.
- The month ended with equities declining for eight consecutive sessions, weighed down by fresh tariff threats on pharmaceuticals and foreign films, and caution ahead of the RBI’s policy meeting. Broader protectionist signals from the U.S. and fears of a government shutdown added to the subdued tone.



Indian Fixed Income

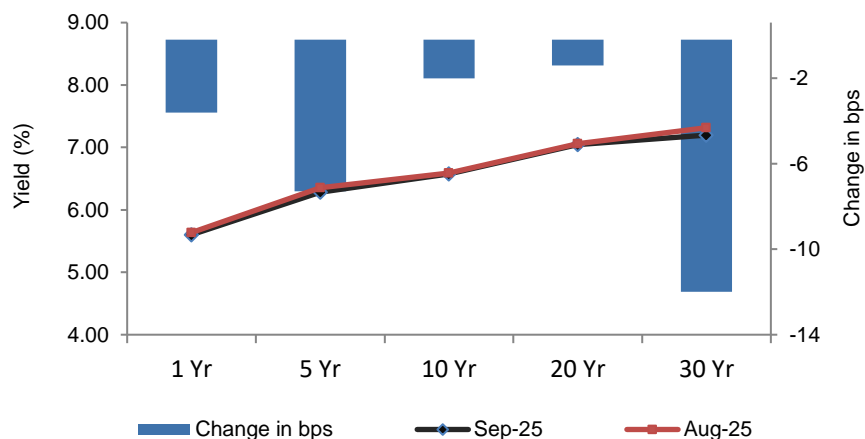
Indicators (Yield %)	September 30, 2025	August 29, 2025
Call Rate	5.69%	5.50%
FBIL 1 Mn Term Mibor	5.98%	5.97%
10-Yr benchmark bond	6.57%	6.59%
Reverse Repo	3.35%	3.35%
Repo	5.50%	5.50%
Bank Rate	5.75%	5.75%
CRR	3.75%	4.00%
Source: Refinitiv		

10-Yr Benchmark Bond



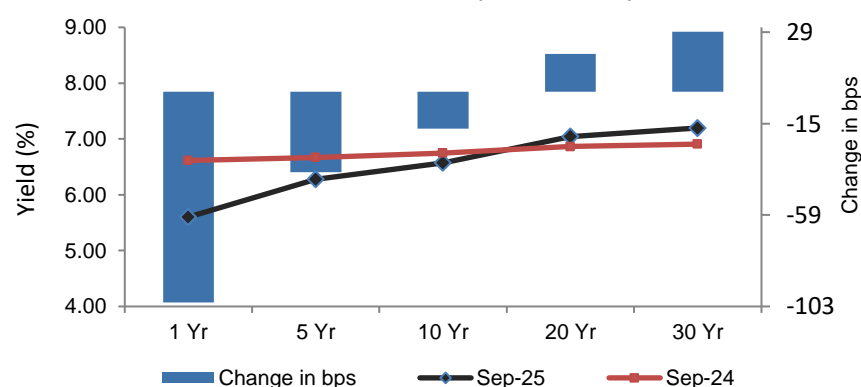
Source: CCIL

India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

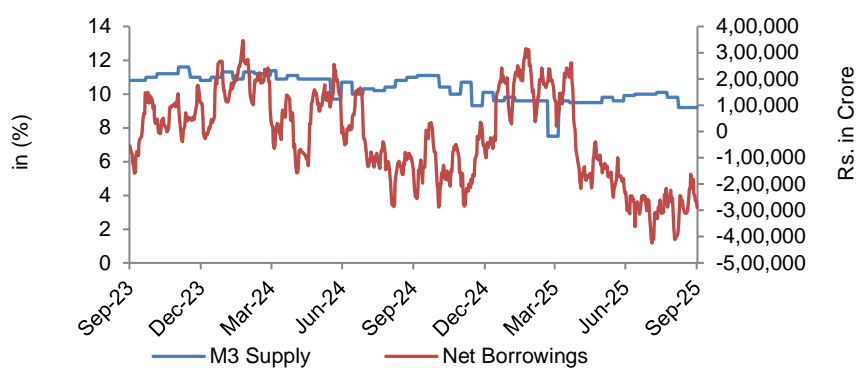
India Yield Curve Shift (Year-on-Year)



Source: Refinitiv

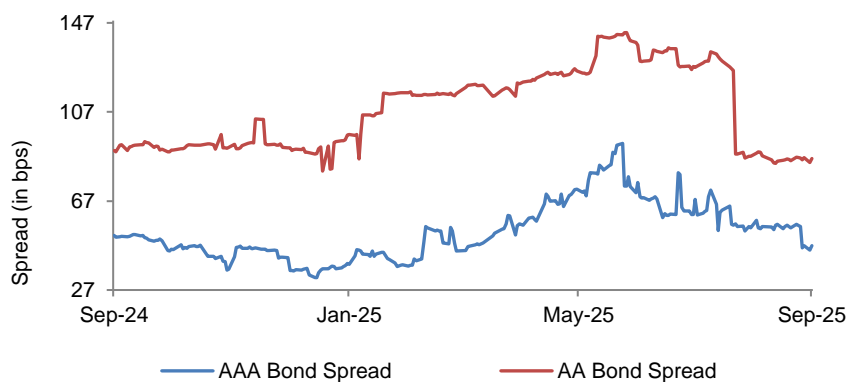
- Bond yields moved in a narrow range through September, influenced by fiscal signals, inflation data, and global monetary policy cues. Early in the month, yields softened as optimism grew around lower-than-expected revenue losses from GST revisions, easing concerns over fiscal slippage and government borrowing. This supported buying in long-term bonds and led to unwinding of short positions.
- However, the rally paused mid-month as investors booked profits and awaited key inflation data. A rise in domestic retail inflation to 2.07% YoY in Aug 2025, driven by food prices and base effects, tempered expectations of further RBI rate cuts, nudging yields upward.
- Yields briefly declined again on hopes of a dovish U.S. Fed stance. But despite a 25 bps rate cut by the U.S. Federal Reserve in Sep 2025, hawkish commentary from the Fed Chair overshadowed the rate cut. The rate cut was described as a “risk-management” move, and the Chair emphasized a data-dependent approach, stating that future decisions would be made on a “meeting-by-meeting” basis.
- Toward month-end, focus shifted to the Centre’s second half borrowing calendar. Initial caution and strong demand at state auctions kept yields stable. However, the announcement of a higher share of bond issuance, revived supply concerns. This, coupled with caution ahead of the RBI’s October policy, pushed yields higher in the final days of the month.

Liquidity Monitor- M3 Supply and Net Borrowings



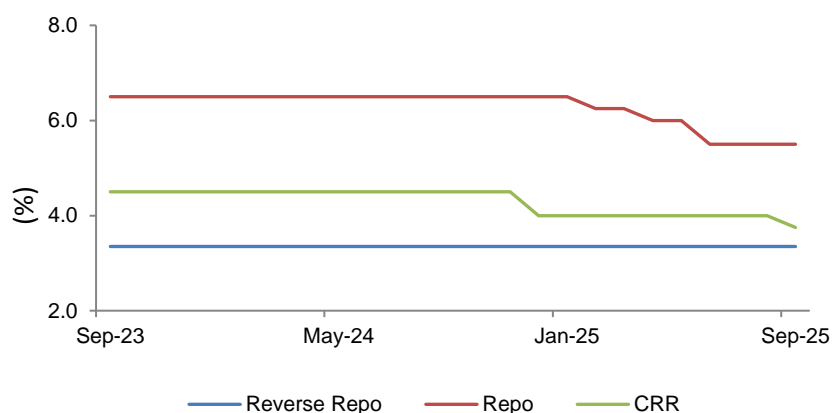
Source: Refinitiv

10 Year Corporate Bond Spread
(for AAA & AA bonds)



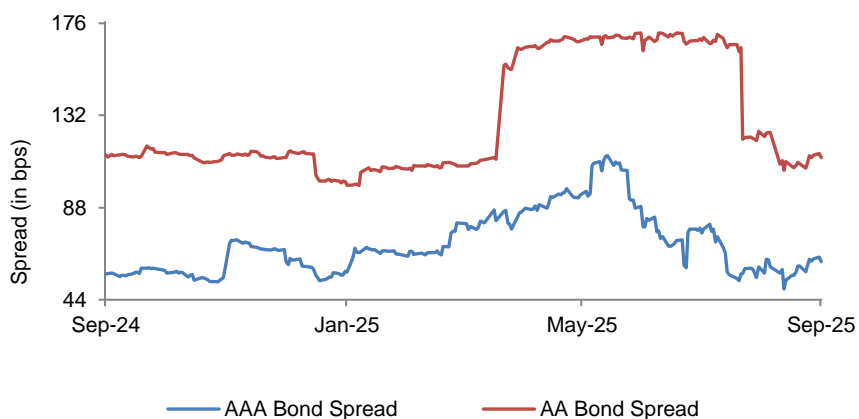
Source: Refinitiv

Movements of Key Policy Rates in India



Source: RBI

5 Year Corporate Bond Spread
(for AAA & AA bonds)



Source: Refinitiv

- The central bank of India conducted auctions of 91-, 182- and 364-days Treasury Bills for a notified amount of Rs. 84,000 crore in Sep 2025, compared to the same amount in the previous month. The average cut-off yield of 91-, 182- and 364-days Treasury Bills stood at 5.50%, 5.60% and 5.65%, respectively, during the month under review compared with the average yield 5.49%, 5.57% and 5.60%, respectively in the previous month.
- The RBI also conducted auction of state development loans (SDL) for a total notified amount of Rs. 1,26,450 crore (for which amount of Rs. 1,21,483 crore was accepted), which is higher than the scheduled amount of Rs. 95,379 crore during Sep 2025. The average cut-off yield of 10-year SDL remained at 7.45% during Sep 2025 compared to 6.87% in the previous month.
- In addition, the RBI also conducted auction of government securities for a notified amount of Rs. 1,21,000 crore in Sep 2025, for which full amount was accepted with no devolvement on primary dealers.



GLOBAL EQUITY MARKET

Performance of Major International Markets (as on September 30, 2025)		
Indices	Country	1 Mth (%)
United States		
Nasdaq 100	U.S.	5.40
Nasdaq Composite	U.S.	5.61
Asia Pacific		
SET Composite Index	Thailand	3.04
Jakarta Composite	Indonesia	2.94
Straits Times Index	Singapore	0.71
KOSPI Index	South Korea	7.49
Nikkei Stock Average 225	Japan	5.18
Taiwan SE Weighted Index	Taiwan	6.55
Shanghai Composite Index	China	0.64
BSE Sensex	India	0.57
S&P/ASX 200	Australia	-1.39
Europe		
FTSE 100	U.K.	1.78
CAC 40	France	2.49
DAX Index	Germany	-0.09
Source: MFI 360 Explorer & Refinitiv		

United States

- U.S. equity markets rose on optimism surrounding lower interest rates, fueling strength on Wall Street following the Federal Reserve's decision to cut rates by a quarter point on Sep 17, 2025. The U.S. Federal Reserve also signaled two additional rate cuts later this year, further boosting investor sentiment. Additional gains were driven by strong momentum in the technology sector.

Europe

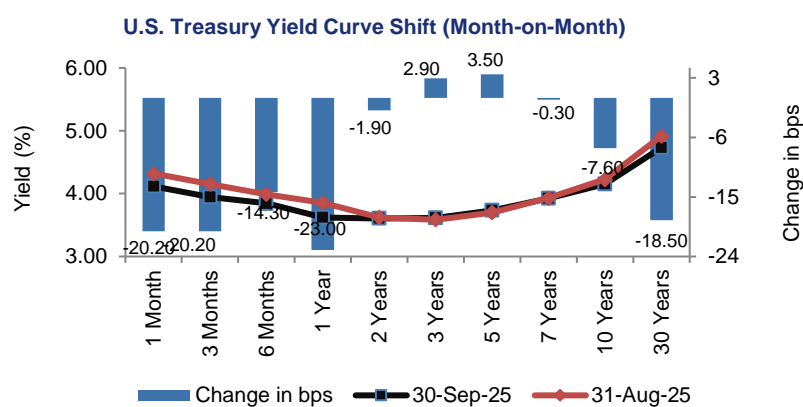
- European equity markets closed on a mixed note. Stocks rose on expectations of further monetary easing by the U.S. Federal Reserve. However, gains were limited by concerns over the U.S. administration's trade policy and uncertainty surrounding the Federal Reserve's interest rate trajectory.

Asia

- Asian equity markets mostly rose during the month. The Japanese market advanced after minutes from the Bank of Japan's Jul 2025 meeting indicated that policymakers remain inclined to resume interest rate hikes if economic and price conditions evolve as expected. The Hong Kong market also gained, driven by a rally in tech stocks amid optimism over AI-driven demand. However, overall gains were limited following a slightly hawkish policy decision by the U.S. Federal Reserve.



GLOBAL FIXED INCOME - U.S. TREASURY

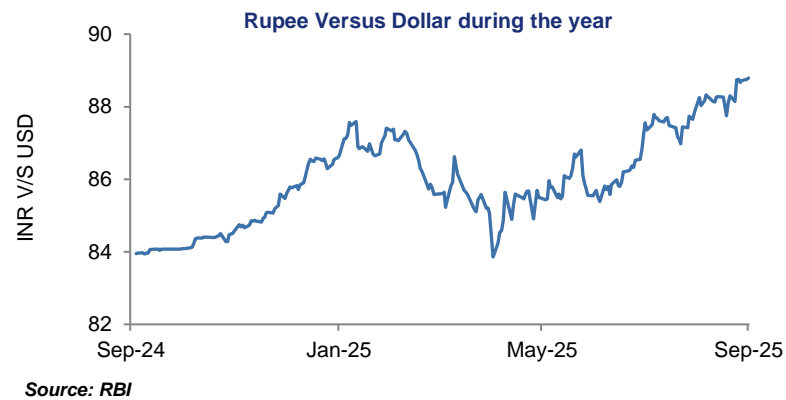


- Yields on the 10-year U.S. Treasury fell by 8 bps to close at 4.15% from the previous month's close of 4.23%.
- U.S. Treasury prices rose following the release of consumer price data for Aug 2025 and jobless claims, reinforcing expectations that economic conditions may prompt the Federal Reserve to ease policy in Sep 2025.
- Additionally, prices gained further support after data showed a decline in U.S. job openings in Jul 2025, indicating a softening labor market and strengthening the case for a rate cut.
- However, gains were capped following stronger-than-expected second-quarter economic data, which could strengthen the case for a rate pause by the Federal Reserve at its Oct 2025 meeting.



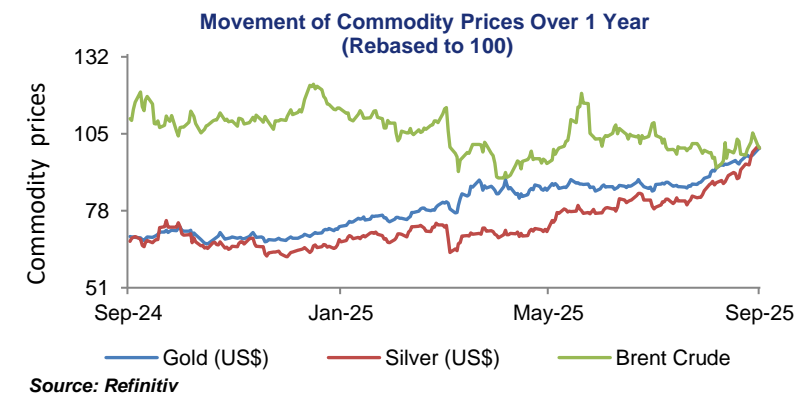
CURRENCY

Movement of Major Currencies (as on September 30, 2025)				
Currency	Value (as on 30-Sep-2025)	1 Mth	3 Mth	1 Yr
U.S. Dollar	88.79	87.85	85.54	83.79
Pound Sterling	119.35	118.58	117.47	112.16
Euro	104.22	102.47	100.45	93.53
Yen (Per Rs.100)	60.00	60.00	59.00	59.00
Source: RBI				



COMMODITIES

Performance of Various Commodities					
Commodities	Last Closing (30-Sep-25)	Returns (in %)			
		1 Wk	1 Mth	6 Mth	1 Yr
Crude Brent (\$/Barrel)	68.85	0.41	0.85	-10.77	-5.67
Gold (\$/Oz)	3858.18	2.51	11.94	23.54	46.45
Gold (Rs/10 gm)	114761.00	0.77	12.55	29.39	52.91
Silver (\$/Oz)	46.67	6.03	17.65	36.98	49.82
Silver (Rs/Kg)	141918.00	5.17	20.81	40.94	58.50
Source: Refinitiv					



INR

- The Indian rupee fell in spot trade against the U.S. dollar as investors assessed the impact of the U.S. President’s H-1B visa fee hike on Indian remittances, amid heightened risk-averse sentiment. The domestic currency faced additional pressure from ongoing tariff issues between India and the U.S. However, losses were limited amid expectations of an interest rate cut by the Federal Reserve.

EURO

- The euro rose against the U.S. dollar after a weaker-than-expected jobs report for Aug 2025 boosted expectations of a Federal Reserve interest rate cut. It gained further support following slightly hotter-than-expected U.S. inflation data for the same period. However, gains were capped by the release of strong U.S. economic data, which may limit the scope for future rate cuts by the Federal Reserve.

Crude

- Brent crude oil prices rose on concerns over supply-side disruptions, driven by the escalating Russia-Ukraine war and emerging conflict in the Middle East. Prices climbed further after Russia imposed a partial ban on diesel exports until the end of 2025, following a series of Ukrainian drone attacks on Russian refineries. An unexpected drop in U.S. weekly crude inventories also contributed to the upward momentum.

Gold

- Gold prices rose as expectations for interest rate cuts by the U.S. Federal Reserve continued to build, driven by ongoing geopolitical tensions in the European Union and the Middle East. Additionally, prices were supported by weak U.S. jobs data for Aug 2025, which sparked economic concerns and further heightened expectations of imminent rate cuts. Gains were extended amid persistent tariff uncertainties and the escalating Russia-Ukraine conflict.

Contact Details

Registered Office

RBL Bank Limited
1st Lane, Shahupuri, Kolhapur - 416001. Maharashtra State.
Ph. : 0231 2656831/2653006

Corporate Office

RBL Bank Limited
One India Bulls Center, Tower 2, 6th Floor, 841, Senapati Bapat Marg,
Lower Parel, Mumbai 400013
Ph. : 022 43020600

All information mentioned in this document pertains to the month ended September 30, 2025.

Disclaimer:

All" information contained in this document has been obtained from ICRA Analytics Limited from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind by ICRA Analytics Limited in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. RBL Bank acts as a distributor and does not warrant its completeness and accuracy. It does not constitute an offer to sell or a solicitation to buy any security or other financial instrument. Publishing lists of products merely indicates the funds and securities which we deal in and shall not be construed as recommended schemes by RBL Bank. Clients are advised to obtain individual financial advice based on their risk profile before taking any action based on the information contained in this material. Clients alone shall have the right to choose their investments and shall be responsible to invest in with their objectives and risk appetite, for which we holds no liability. RBL Bank does not guarantee the performance of products listed in the collateral and accepts no responsibility whatsoever including any loss suffered by clients resulting from investing in such funds. Investment products are subject to market risks including the possible loss of the principal amount invested. Past performance is not indicative of future results, prices can go up or down. Please read the Key Information Memorandum(s)/Scheme Investment Document(s) & Statement of Additional Information/ Term Sheet/ Prospectus carefully before investing. The term "RBL Bank" or "the Bank" shall mean RBL Bank Limited. Readers are requested to click here for ICRA Analytics disclaimer - <https://icraanalytics.com/home/Disclaimer>