

# Wrapping Up the Week..... (26.01.2026 - 31.01.2026)

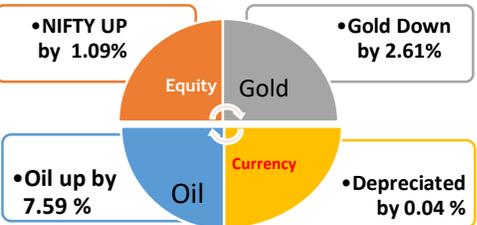
## Market Movers

| Highs & Lows of Key Market Indicators |        |        |         |
|---------------------------------------|--------|--------|---------|
| Indicators                            | High*  | Low*   | Average |
| USD/INR                               | 91.98  | 90.72  | 91.86   |
| India 10 Yr G-Sec Yield               | 6.72   | 6.70   | 6.70    |
| US 10Yr T Bill                        | 4.25   | 4.24   | 4.25    |
| Crude Brent) \$/BL                    | 69.75  | 66.65  | 68.62   |
| Canara Bank                           | 157.74 | 147.42 | 152.55  |
| Gold per Troy ounce (USD)**           | 5413   | 4880   | 5212    |
| Silver per Troy ounce (USD)**         | 116.61 | 85.26  | 107.41  |

\*On the basis of closing figure, \*\* On the basis of closing figure dt. 30.01.26

## Movement Over Previous Week

(On the basis of closing figure)



## News that Made News

### Global

- The Fed left the federal funds rate unchanged at the 3.5%-3.75% target range in its January 2026 meeting, in line with expectations, after three consecutive rate cuts last year that pushed borrowing costs to their lowest level since 2022.
- The European Union has upgraded its economic engagement with Vietnam to a Comprehensive Strategic Partnership, deepening cooperation across trade, technology, and supply chains.
- As per Bloomberg report, U.S. trade deficit widened sharply to about \$56.8 billion in November as imports rebounded by roughly 5 %, led by pharmaceuticals and capital goods, while exports fell about 3.6 %.

### Domestic

- India & the European Union have signed a landmark Free Trade Agreement. This deal supports India's shift to export-focused manufacturing.
- India's industrial output growth, as measured by the Index of Industrial Production (IIP), stood at 7.8% in December 2025, reaching its highest level in over two years.
- India's Economic Survey 2025-26 projects robust growth of 6.8-7.2% amid global fragmentation, highlighting medium-term priorities like manufacturing and skill development.
- India is set to revise its Consumer Price Index framework by revising the base year to 2024 from the existing 2012 series and sharply reducing the weight of food and beverages in the CPI basket to 36.75% from 45.86%.

### Banking

- Most banks have reduced their liquidity coverage ratio (LCR) in the December quarter to efficiently manage the liquidity to support increased lending demand amid sluggish deposit growth, showed quarterly results announced by lenders so far.
- With UPI now mainstream, accounting for over 83% of India's digital payment volumes in FY25 and processing 185.8 bn transactions, a 42% y-o-y increase, transaction scale is no longer the primary constraint.
- Indian households have shifted their preferences from bank deposits toward equities and other market linked instruments, with the share of deposits in financial savings having dropped to 35.2% in FY25 from 57.9% in FY12.

## Macro Scenario

SBI has raised \$250 million through bonds to fund its foreign business. The bonds would have maturity of 12 months and coupon rate of 50 bps over Secured Overnight Financing Rate (SOFR) payable quarterly in arrears.

Bank of Baroda plans to tap offshore market with \$500 million bond sale, aimed at tapping overseas investors and to support general corporate purposes.

Punjab & Sind Bank will open a branch at Gift City, Gandhinagar, Gujrat. The RBI has given its approval. This move marks the bank's entry into international banking.

### Peer's Signals Sensed

## Policy Moves

### RBI

RBI has proposed a new set of guidelines aimed at helping banks and other regulated entities manage loan stress caused by natural disasters. The proposed rules will kick in from April 1. The proposed framework follows a principle-based approach, giving regulated entities (REs) flexibility in designing and implementing resolution plans.

### GOVT

The Expenditure Finance Committee (EFC) has approved an Rs 8000 crore credit guarantee scheme to support microfinance institutions with an aim to support the sector facing delinquencies and funding challenges. This scheme will incentivize banks to lend microfinance institutions, especially smaller ones.

## Event /News of the Week:

Gold & Silver  
Crash Hard  
after Parabolic  
Rally

- ✓ Gold and silver prices crashed dramatically on January 30, 2026, in one of the sharpest single-day corrections in decades.
- ✓ Internationally, spot gold tumbled around 9-12% (from peaks near \$5,595/oz to lows around \$4,900/oz), while silver plunged 27-36% (from over \$120/oz to settle near \$78-85/oz), marking silver's worst day since 1980.
- ✓ This was driven by heavy profit-taking after parabolic rallies to record highs and a rebounding US dollar following President Trump's nomination of Kevin Warsh—a more hawkish figure—for Fed Chair.
- ✓ Analysts describe the move as a healthy technical correction after January's explosive gains—gold up 18-30% and silver 40-68% for the month—but caution that broader bullish drivers like geopolitical tensions and central bank demand remain intact, potentially setting the stage for renewed upside once dust settles.