WEEKLY YIELD

Update of Equity & Debt Market

Union Mutual Fund

February 06, 2026

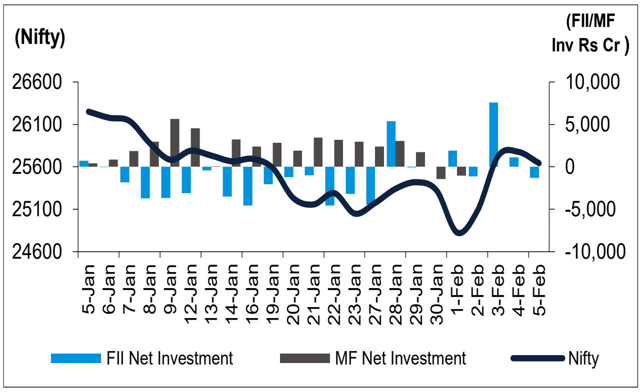
DOMESTIC EQUITY

- Indian equities ended higher this week, supported by stock-specific strength amid optimism around the India–United States (US) trade agreement, and the Reserve Bank of India decision to keep the repo rate unchanged at 5.25% and maintain a neutral stance. However, a few losses were seen due to profit booking. The BSE Sensex and Nifty 50 rose 1.59% and 1.47%, respectively.
- Almost all the major sectors ended higher with power, realty and consumer durables (CD) gaining the most. The BSE Power, BSE Realty and BSE CD rose 6.58%, 5.41% and 4.32%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
BSE Sensex	1.59	0.32	7.07
Nifty 50	1.47	0.72	8.86
BSE Midcap	1.61	-1.58	6.78
BSE Smallcap	1.24	-7.87	-3.21
BSE Bankex	0.72	4.22	18.39
BSE CG	1.63	-2.53	10.12
BSE FMCG	1.41	-7.09	-6.41
BSE IT	-6.18	-0.60	-18.98
BSE Healthcare	1.45	-5.75	-2.78

Source: BSE, NSE

Past performance may or may not be sustained in the future



Source: SEBI, NSE

Past performance may or may not be sustained in the future

GLOBAL EQUITY

- US stocks had a mixed week, with the Nasdaq Composite declining due disappointing tech earnings and a weaker-than-expected job report.
- Britain's FTSE index ended higher during the week primarily driven by increased buying in defence and finance stocks. The healthcare sector also contributed to the gains, following the release of strong earnings reports. A weaker pound further boosted the market.
- Asian equities closed mixed this week. Japan's Nikkei index ended higher during this week driven by a decline in precious metal prices and better-than-expected earnings report.
- Hong Kong's Hang Seng Index ended lower primarily driven by a significant fall in telecommunications stocks. The downturn was triggered by the decision by the Chinese authorities to raise the value-added tax rate on mobile data, messaging and broadband services from 6% to 9%.
- China's Shanghai Composite Index closed lower this week, largely because of a global commodity price rout that negatively impacted the sentiment.

DOMESTIC DEBT

Indicators	Feb 06, 2026	Previous Week	Trend
Call Rate	4.45%	4.80%	↓
3 M CP	7.50%	7.75%	↓
1 Yr CP	7.47%	7.60%	↓
3 M CD	7.00%	7.25%	↓
1 Yr CD	6.98%	7.00%	↓
5 Yr AAA	7.28%	7.29%	↓
1 Yr G-Sec*	5.72%	5.70%	↑
5 Yr G-Sec*	6.52%	6.36%	↑
10 Yr G-Sec*	6.74%	6.70%	↑
USD/INR	90.42	91.90	↑

Source: CRISIL Fixed Income Database, RESERVE BANK OF INDIA
**Weighted Average Yield*

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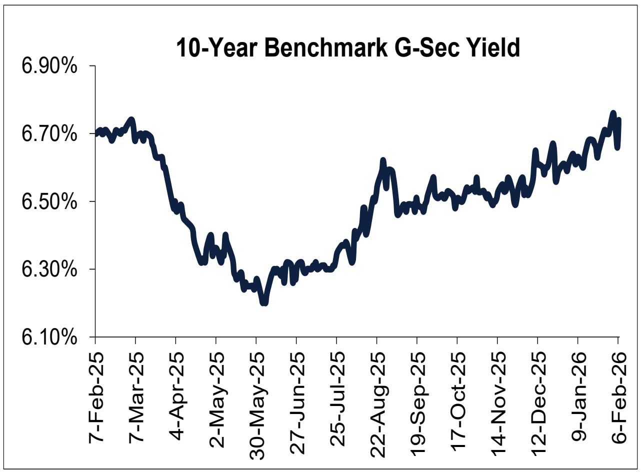
- Government bond prices ended lower this week and the yield on the 10-year benchmark 6.48% Government Security (GS) 2035 paper closed at 6.74% compared with 6.70% on January 30, 2026.
- Government bond prices declined early in the week as the budget proposed bigger-than-expected market borrowing of Rs 17.2 lakh crore for next fiscal.
- However, during the mid-week these falls were capped due to fresh buying after the announcement of US-India trade pact amid persistent supply concerns following borrowing projections. Prices gained further on expectations of continued RBI bond purchases ahead of record borrowing next fiscal year. Later, they rose as the Reserve Bank of India accepted bond purchase bids at higher-than-expected prices.
- However, the week ended with gains shattered as the central bank did not announce any fresh liquidity support in its monetary policy even as the market braced for a record supply of bonds next fiscal year.
- Meanwhile, in the weekly debt sale held on February 6, the Reserve Bank of India auctioned 6.68% GS 2040 and 6.90% GS 2065 for a total notified amount of Rs 29,000 crore.



Source: CRISIL Fixed Income Database

Past performance may or may not be sustained in the future

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GLOBAL DEBT

- US Treasury prices rose during the week due to weak labour market data.
- Prices began the week on a weaker note as stronger-than-expected economic growth data and industrial data reinforced the view that the Federal Reserve (Fed) could keep rates higher for longer, reducing expectations of near-term rate cuts.
- However, during the later part of the week treasury prices increased due to weak jobless climes and as ADP employment data raised expectations of a Fed rate cut.
- The yield on the 10-year benchmark Treasury bond ended at 4.21% on February 5, 2026, compared with 4.26% on January 30 2026.

DOMESTIC NEWS

- The Union Budget 2026-27 estimates fiscal deficit for Fiscal Year 2026-27 (FY27) at 4.3% of gross domestic product (GDP), with net market borrowing projected at Rs 11.7 lakh crore. The balance financing is expected to come from small savings and other sources. The gross market borrowing is estimated at Rs 17.2 lakh crore.
- The budget proposes public capex at Rs 12.2 lakh crore for fiscal 2027, up from Rs 10.95 lakh crore in fiscal 2026 revised estimate (RE), to sustain infrastructure-led growth momentum.
- The Reserve Bank of India’s (RBI) Monetary Policy Committee (MPC) voted unanimously to not change the repo rate, keeping its stance neutral. The repo rate stands at 5.25%.
- The Standing Deposit Facility (SDF) rate stands at 5.00% and the Marginal Standing Facility (MSF) rate and Bank Rate at 5.50% unchanged. The MPC decided to maintain its neutral stance, supported by the low inflation rates and favourable growth outlook.

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- The Reserve Bank of India projected India's real gross domestic product (GDP) growth for 2025-26 at 7.4%. The projections for real GDP growth in first and second quarter (Q2) next fiscal were revised upward to 6.9% and 7.0%, respectively.
- The Reserve Bank of India revised upwards inflation projection for the current fiscal year to 2.1% with Q4 at 3.2%.
- The Government has contained the fiscal deficit for the first nine months of the current fiscal at 54.5% of the budget estimates as against 56.7% in the year-ago period amid expansion in corporation tax and customs duty and an on-year contraction in capital expenditure (capex) in December 2025.
- India HSBC Services PMI rose to 58.5 in January 2026 compared with 58.0 in December 2025 while the HSBC Composite PMI edged up to 58.4 from 57.8.
- US and India have agreed on a trade deal, under which US tariffs on Indian goods were cut to 18% from 50% in exchange for India lowering trade barriers, cutting tariffs to 0% and stopping its purchases of Russian oil and buying oil instead from the US and potentially Venezuela.
- India and the six-nation bloc of Middle Eastern nations, the Gulf Cooperation Council (GCC), inked terms of reference for starting talks for a free trade agreement (FTA).
- The Reserve Bank of India has directed all bank branches handling government transactions to remain open on the last day of the current financial year, even though it is a public holiday.
- Securities and Exchange Board of India proposed a comprehensive overhaul of the 'fit and proper person' framework governing market intermediaries, aiming to bring greater procedural clarity and fairness to the regulatory process.

GLOBAL NEWS

- US producer prices rose 3% year-on-year in December 2025, unchanged compared to the previous month.
- US Core producer prices rose by 3.3% in December of 2025, compared to 3.1% rise in November 2025.
- US ISM Manufacturing PMI unexpectedly rose to 52.6 in January 2026 from 47.9 in December 2025.
- US S&P Global Manufacturing PMI increased to 52.4 in January 2026, above the preliminary estimate of 51.9 and up from December 2025 five-month low of 51.8.
- US ISM services PMI steadied at 53.8 in January 2026, the same as a downwardly revised 53.8 in December 2025.
- US S&P Global Services PMI rose to 52.7 in January of 2026 from 52.5 in the previous month while Composite PMI rose to 53.0 from 52.7.
- The European Central Bank left its key interest Rate unchanged at 2.15% in its February 5th, 2026 decision while the marginal lending facility rate steady at 2.4% and its deposit facility rate unchanged at 2%.
- Eurozone annual inflation eased to 1.7% in January 2026, compared to 2.0% in December 2025 while the annual core inflation rate fell to 2.2% in January of 2026 from 2.3%.
- Eurozone producer prices decreased 2.1% year-over-year in December 2025 compared to a 1.4% fall in November 2025.
- The Eurozone economy expanded by 1.3% year-on-year in the final quarter of 2025, compared to 1.4% in the third quarter of 2025.
- The Bank of England kept its Bank Rate unchanged at 3.75% in February 2026, with a narrow 5 to 4 vote, as policymakers balanced easing inflation pressures against risks from a weakening economy.

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DAY	EVENTS
Monday, February 9, 2026	• US Consumer Inflation Expectations January • Japan Current Account December
Tuesday, February 10, 2026	• US Exports/ Import Price December • US Retail Sales, December
Wednesday, February 11, 2026	• US Inflation Rate, January • US CPI January • China Inflation Rate, January • China PPI January
Thursday, February 12, 2026	• US Monthly Budget Statement January • US Initial Jobless Claims Feb/07 2026 • Uk Industrial Production, December • UK GDP Growth Rate Prel Q4 • UK GDP December • UK Construction Output December • UK Balance of Trade December • Japan PPI January • India Inflation Rate, January
Friday, February 13, 2026	• Eurozone Balance of Trade December • Eurozone GDP Growth Rate 2nd Est Q4 • Eurozone Employment Change Prel Q4 • India WPI Inflation, January • India Foreign Exchange Reserves Feb/06 2026

Source: CRISIL

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act,1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059.Toll Free No. 18002002268 · Non Toll Free. 022-67483333 · · Website: www.unionmf.com · Email: investorcare@unionmf.com