

## **Indian Bonds Join FTSE Index**

## Source: LM

Recently, FTSE (Financial Times Stock Exchange) Russell announced that it will add <a href="India">India</a>'s <a href="Sovereign bonds">Sovereign bonds</a> to its Emerging Markets Government Bond Index (EMGBI) in September 2025.

- About:
  - FTSE Russell (a leading global index provider), has become the third organization to include Indian bonds in its emerging market bond index, following <a href="PMorgan">IPMorgan</a> and Bloomberg.
    - The EMGBI tracks local currency government bond performance from 16 countries, serving as a broad benchmark for portfolio managers.
- India's Representation:
  - Indian government bonds, after being on FTSE's watch list for three years, will now represent 9.35% of the EMGBI.
- Impact on India's Bond Market:
  - This inclusion could inject billions into India's bond market, increasing demand for Indian bonds and enhancing investor sentiment.
  - Indian bonds have attracted approximately USD 18.5 billion in foreign inflows, indicating growing global interest.
- Government Bonds:
  - It is a tradable debt instrument issued by the Central or State Governments.
  - It is used by the government to borrow money from the public to finance its <u>fiscal</u> deficit.

Read More: India's Inclusion in JPMorgan GBI-EM Index

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