Bloomberg Defers Inclusion of Indian Sovereign Bonds in Global Aggregate Index

Bloomberg Index Services deferred the inclusion of Indian sovereign bonds in its flagship Global Aggregate Index citing market infrastructure evaluation.

The Bloomberg Global Aggregate Index is a flagship benchmark tracking over $70 trillion in global investment-grade bonds followed by international institutional investors.

KEY EXAM POINTS

- **Bloomberg Index Services** deferred the inclusion of Indian government bonds in its flagship **Global Aggregate Index** .
- The deferral was made citing the need for further evaluation of operational and **market infrastructure** aspects.
- Yields on India's **10-year benchmark** government bond closed at **6.83%** following the announcement.
- The Bloomberg Global Aggregate Index is a widely followed benchmark tracking more than **$70 trillion** worth of bonds globally.
- Global asset managers across major financial hubs use this index to allocate patient, **long-duration funds**.

STATICS & SYLLABUS FOCUS

RBI introduced the **Fully Accessible Route (FAR)** in **2020** to permit non-resident investment in specified government securities without quantitative limits.

Treasury Bills (T-Bills) are short-term debt instruments issued by the Central Government in maturities of **91 days**, **182 days**, and **364 days**.

Cash Management Bills (CMBs) were introduced by the Government of India and RBI in **2010** to meet temporary cash flow mismatches.

Sovereign Green Bonds (SGBs) were first issued by the Government of India in **January 2023** to finance green infrastructure initiatives.

Public debt management in India is statutorily governed and executed by the **Reserve Bank of India** under the **RBI Act of 1934**.

Article 292 of the Constitution empowers the Union Government to borrow upon the security of the **Consolidated Fund of India**.

Article 293 of the Constitution regulates borrowing by States and requires Central consent if a State has outstanding Central loans.

Public Debt of the Union is listed under **Entry 35** of the **Union List** (List I) in the **Seventh Schedule** of the Indian Constitution.

REVISION FLASHCARD

RBI introduced Fully Accessible Route (FAR) in 2020 to enable non-resident investment in specified government bonds.

Syllabus Relevance: High relevance for Group 1 and Group 2 exams under Indian Economy (Public Debt & Debt Securities) and Indian Polity (Articles 292 & 293).