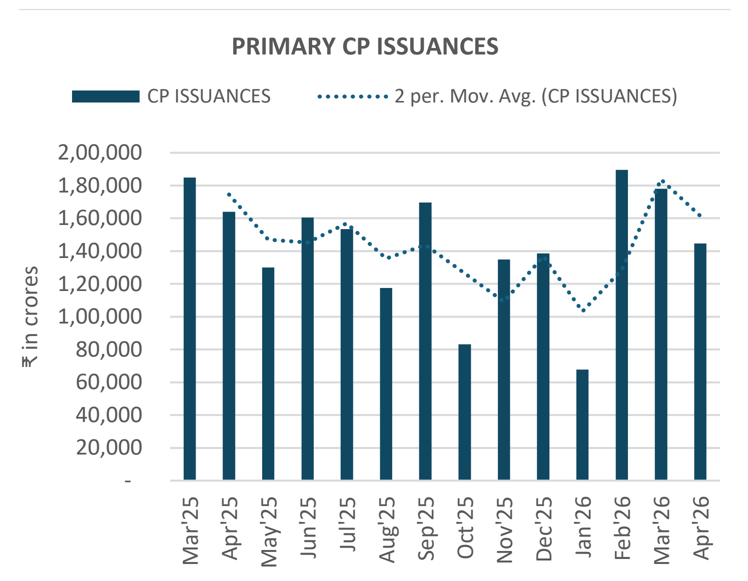
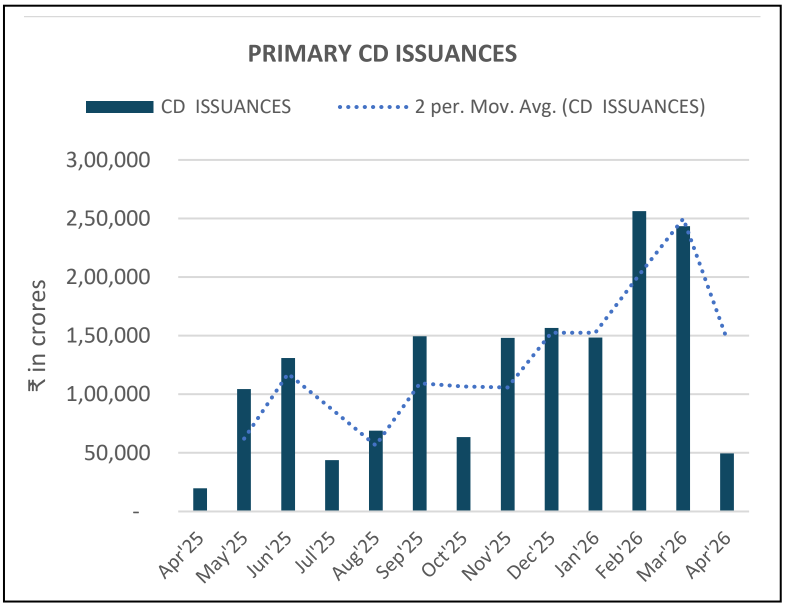
DEBT CAPITAL MARKET REPORT

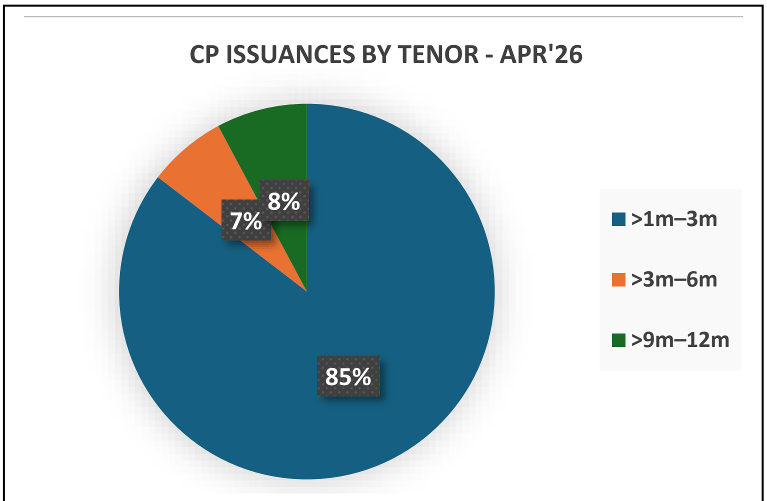
APRIL,2026

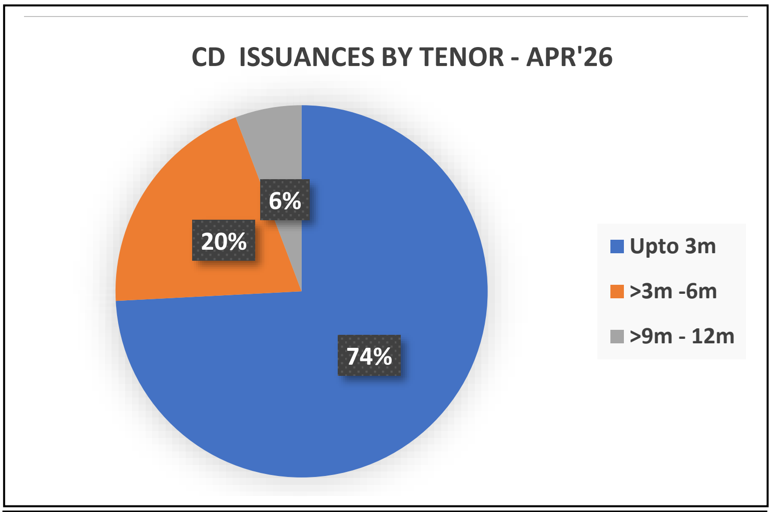




Issuances of CP softened marginally to ₹1.45 lakh cr in Apr’26, compared with ₹1.77 lakh cr in Mar’26. Issuances slowed modestly as ST funding rates moved up gradually.

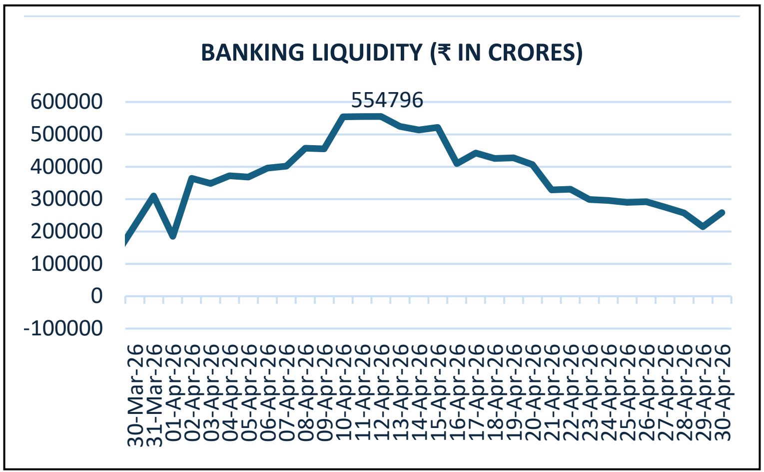
Banks raised ₹49T cr via CDs in Apr’26 vs ₹2.44 lakh cr in Mar’26. Moderation in CD issuances signals easing short-term funding stress, borrowings are expected to soften as liquidity remains in surplus and credit demand stays seasonally weak.

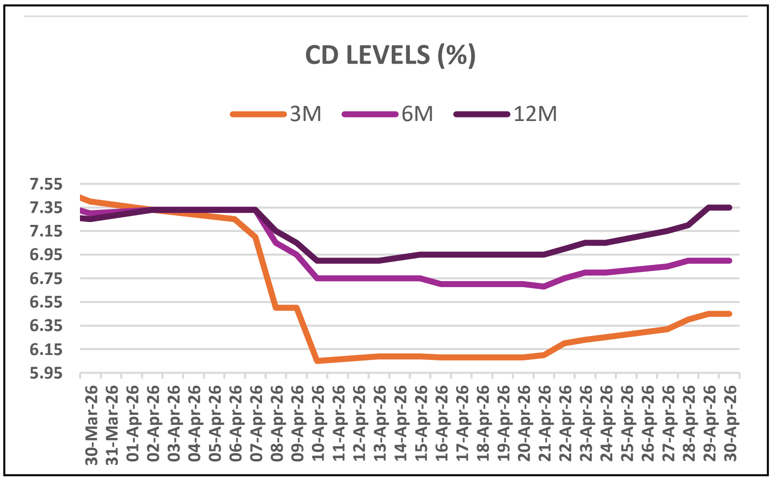




Issuances of CP softened marginally to ₹1.45 lakh cr in Apr’26, NBFCs remained the key drivers of CP activity in Apr’26 with ₹53T cr worth of issuance. Maturities during Apr’26 stood at ₹44T cr.

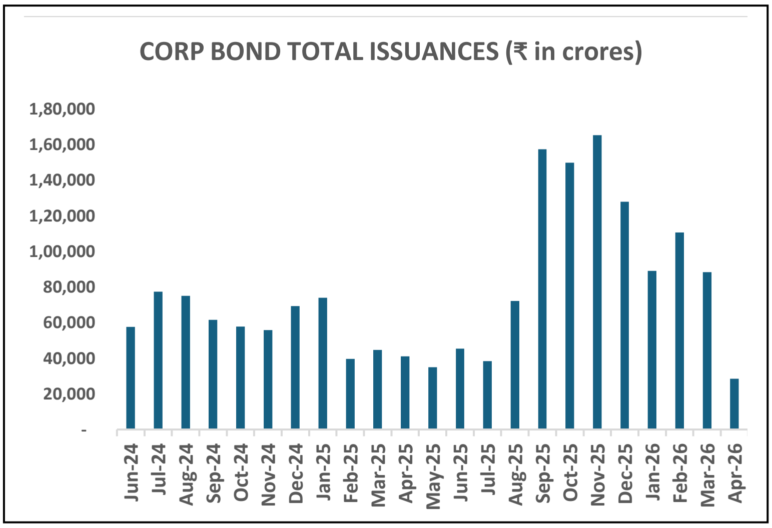
Banks raised ₹49T cr via CDs in Apr’26 with public sector banks accounting for ₹28T cr while private sector banks issued ₹22T cr Maturities during Apr’26 stood at ₹52T cr.

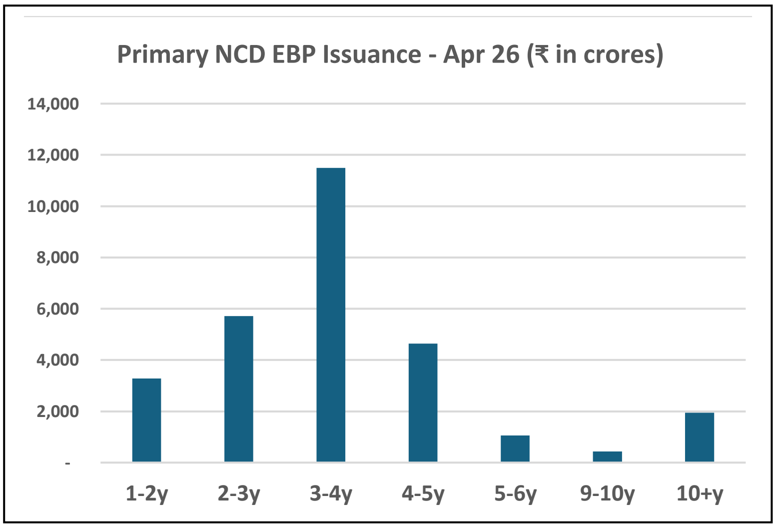




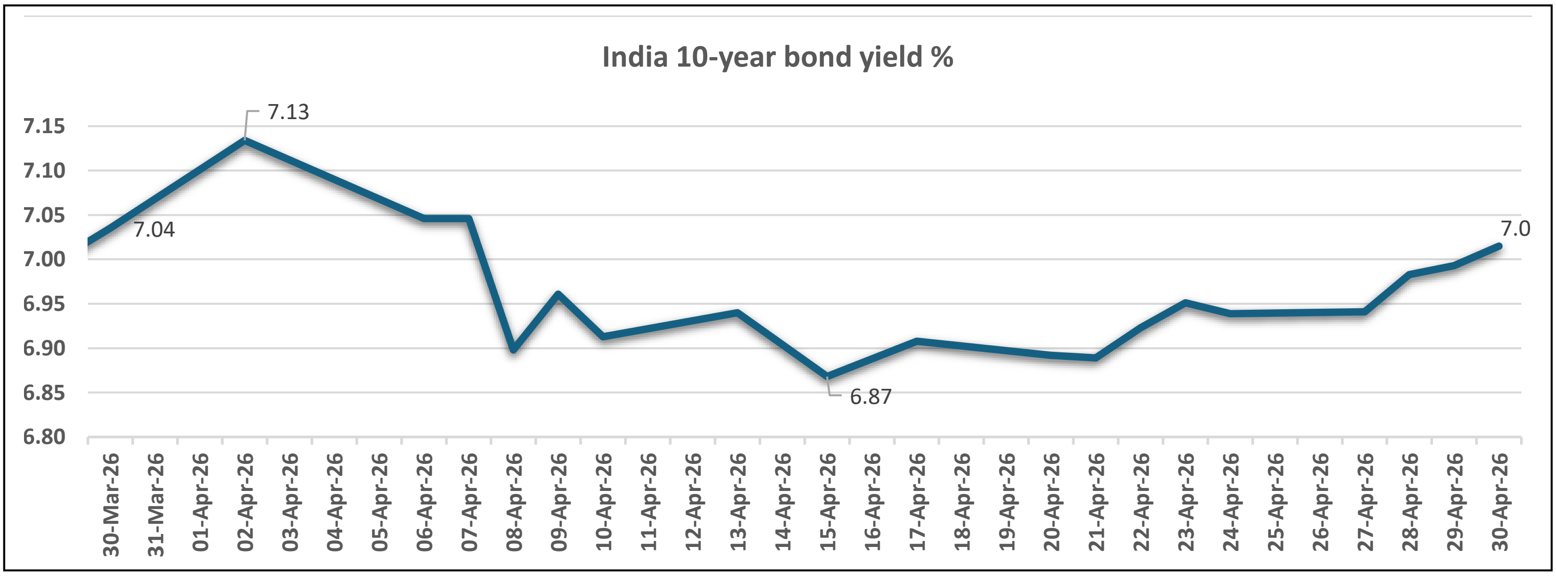
Liquidity in the banking system rose sharply in April 2026, with government spending driving the surplus beyond ₹5.5 trillion. Liquidity levels are anticipated to stay comfortable.

Money markets reacted quickly to the liquidity backdrop, with short-term costs correcting sharply. 3M CD yields slipped from 7.40% trading levels to 6.05%, then moved up gradually. Short-term rates are expected to stay anchored in 1QFY27 aided by subdued supply of CDs.

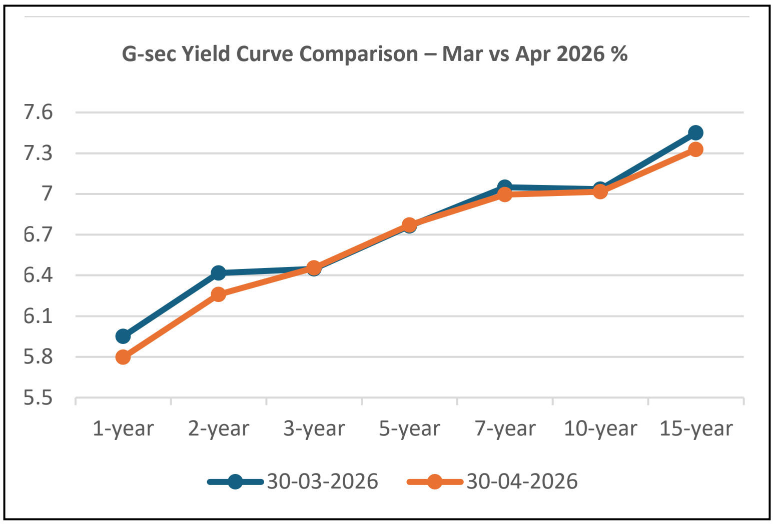


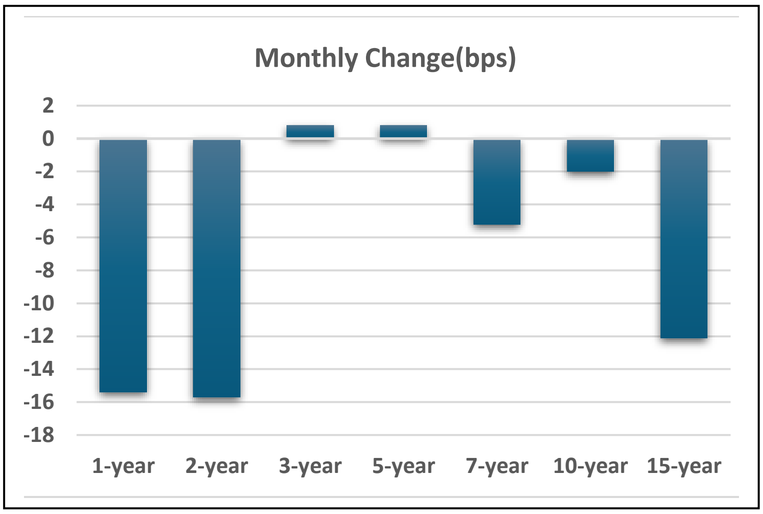


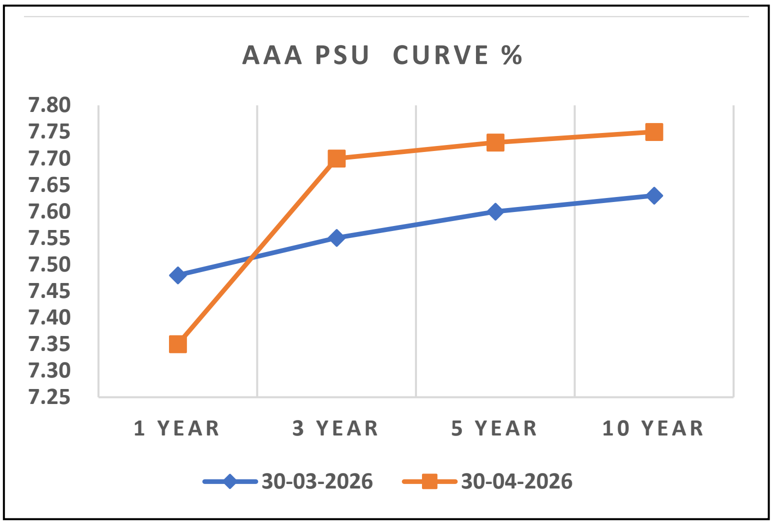
Corporate bond issuance dropped sharply to ₹28,565 crore in April ’26 from ₹91,470 crore a year earlier, led by NBFCs. Concerns over a prolonged West Asia conflict pushed yields higher again, leaving issuers more cautious.

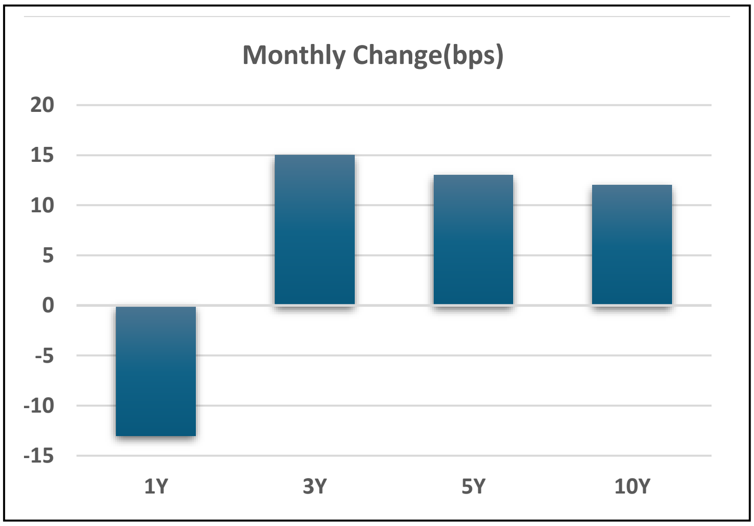


Benchmark yield had eased to 6.87 levels after a Middle East peace proposal, also as MPC kept the repo rate unchanged as expected, which reduced rate hike fear led by emphasis of MPC on adequate liquidity, and lower core inflation calming markets however yields ended close to march end levels as crude oil prices and Treasury yields surged while rupee fell to a record over higher oil prices.

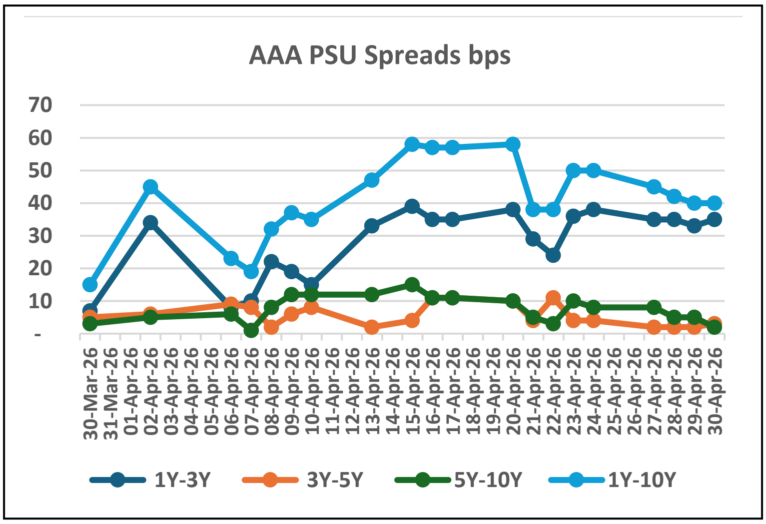


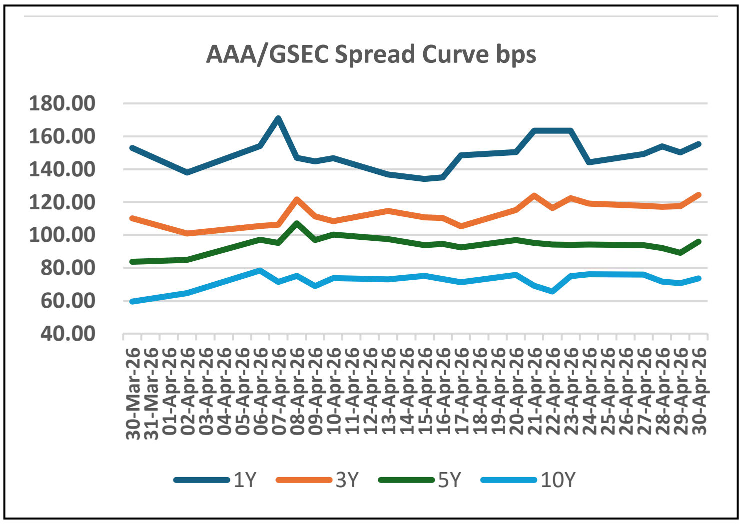






Global bond markets are under pressure as oil climbs, driving yields higher. If supply chain disruptions persist, crude may stay elevated, dampening bond performance leading investors to cut exposures to longer maturities reducing duration positioning. Bond yields going ahead will track the extent of the Hormuz blockade and the trend in oil prices.





With Bond yields pricing in higher inflation with oil and fiscal worries. In the near term, yields are expected to trade in a broad 6.89%–7.10% range, with relief on the war front pulling them toward the lower bound, while extended conflict and higher crude could push them past the upper end.

Sources: Reserve Bank of India, Reuters, MOspi, FADA, Government of India, CCIL,

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