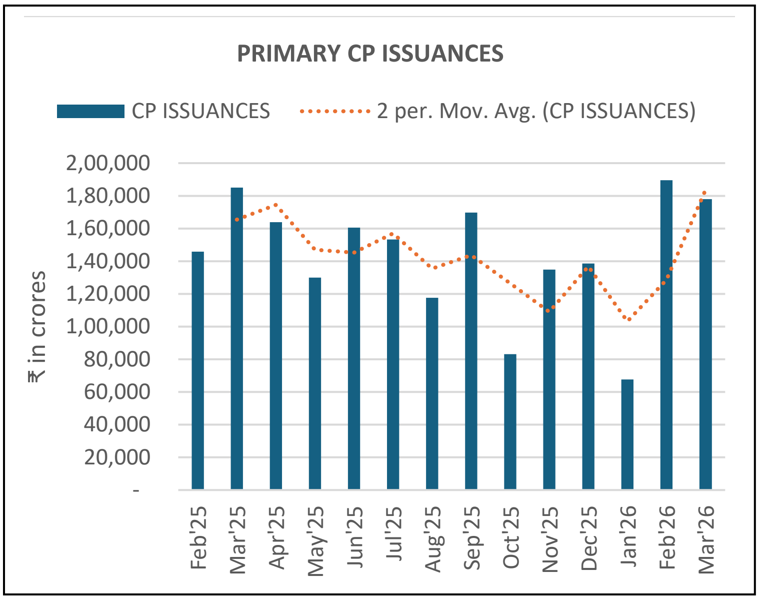
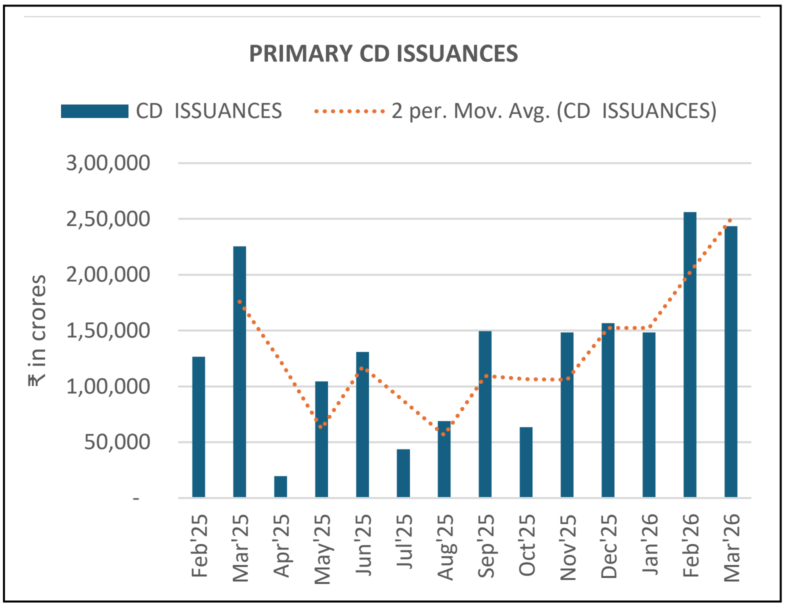
DEBT CAPITAL MARKET REPORT

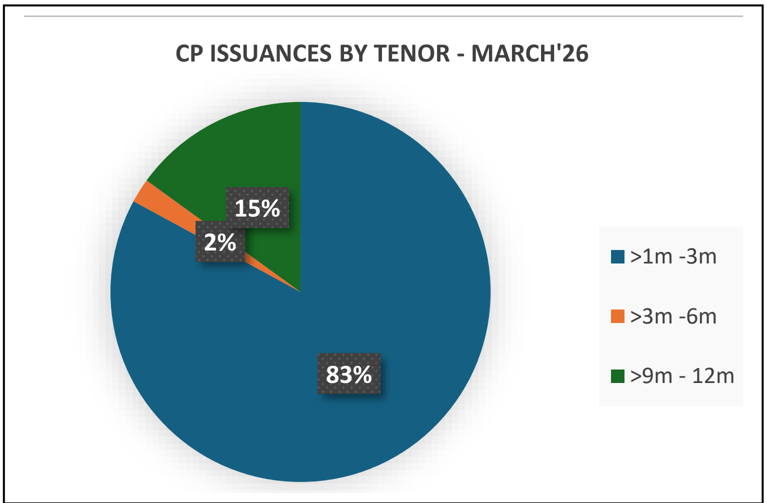
MARCH,2026

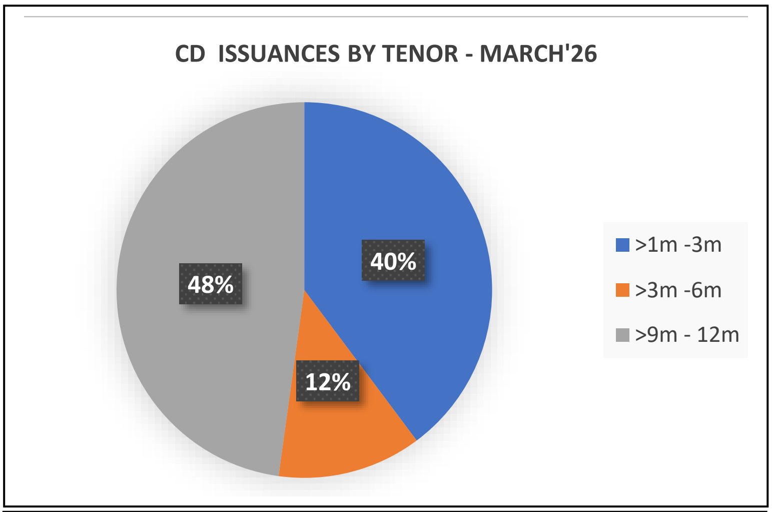




Issuances of CP softened marginally to ₹1.77 lakh cr in Mar'26, compared with ₹1.9 lakh cr in Feb'26. Issuances slowed modestly as ST funding rates stay firm.

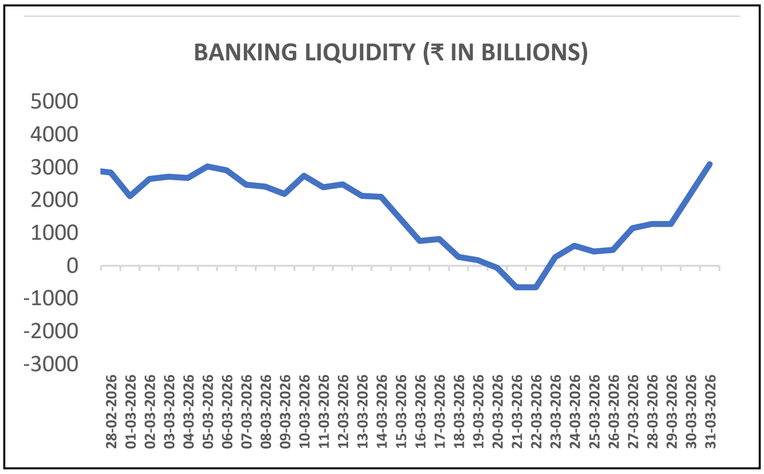
Banks raised ₹2.44 lakh cr via CDs in Mar'26 vs ₹2.56 lakh cr in Feb'26. Slight moderation in CD issuances signals easing short-term funding stress, borrowings may soften with better liquidity ahead.

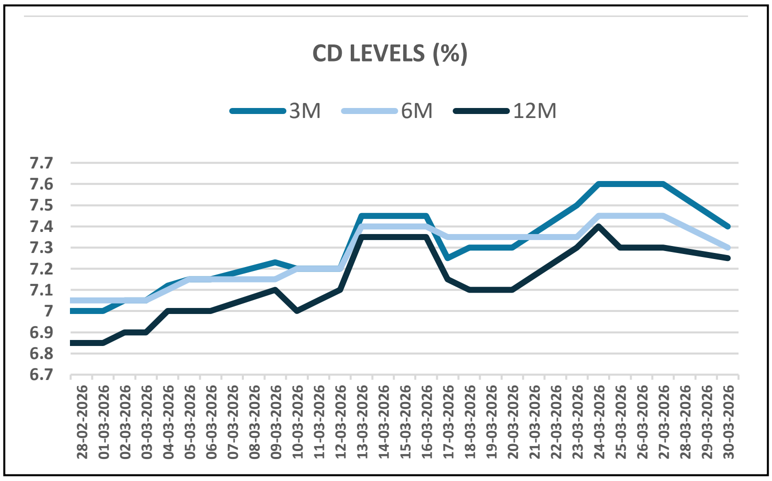




Issuances of CP softened marginally to ₹1.8 lakh cr in Mar'26, NBFCs remained the key drivers of CP activity in Mar'26 with ₹87,463 worth of issuance. Maturities during Mar'26 stood at ₹1.97 lakh cr.

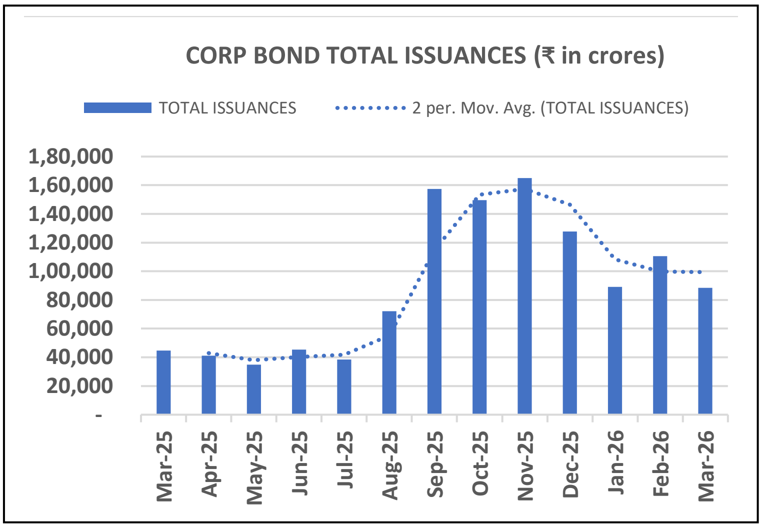
Banks raised ₹2.44 lakh cr via CDs in Mar'26 with public sector banks accounting for ₹1.5 lakh cr while private sector banks issued ₹89,000crore largely unchanged from last month issuances. Maturities during Mar'26 stood at ₹2.20 lakh cr.

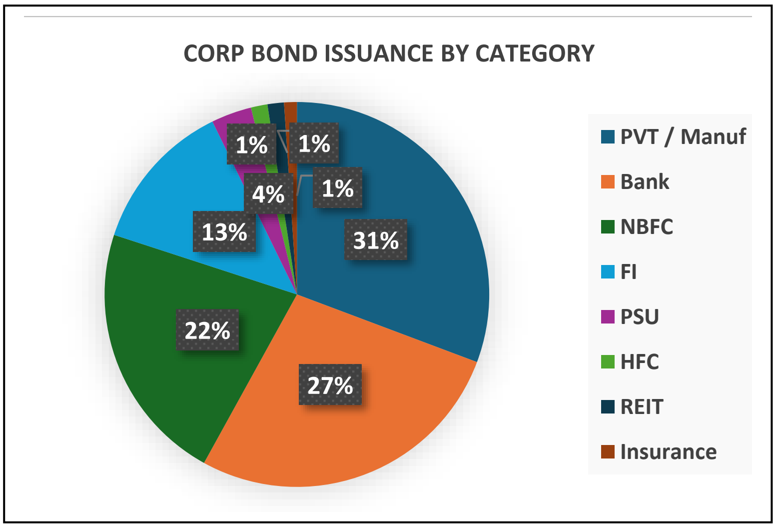




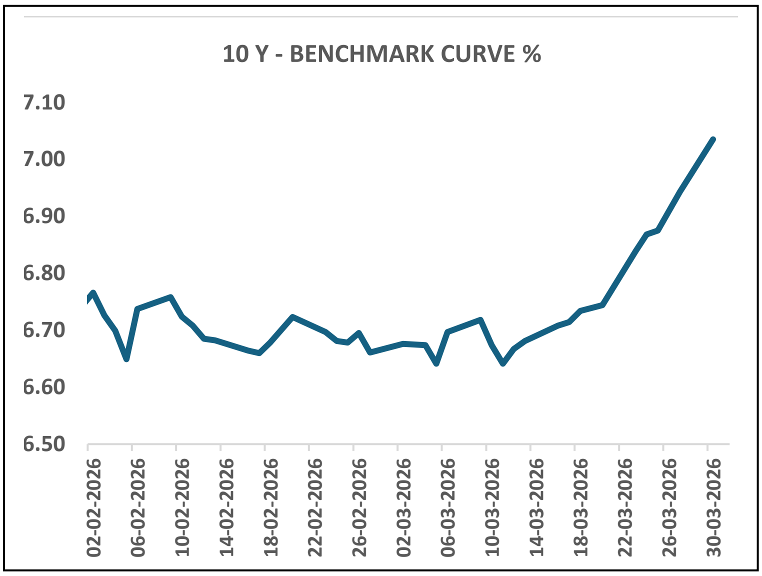
Liquidity moved from surplus early in the month to mid-month tightness on tax outflows, then stabilised at quarter-end.

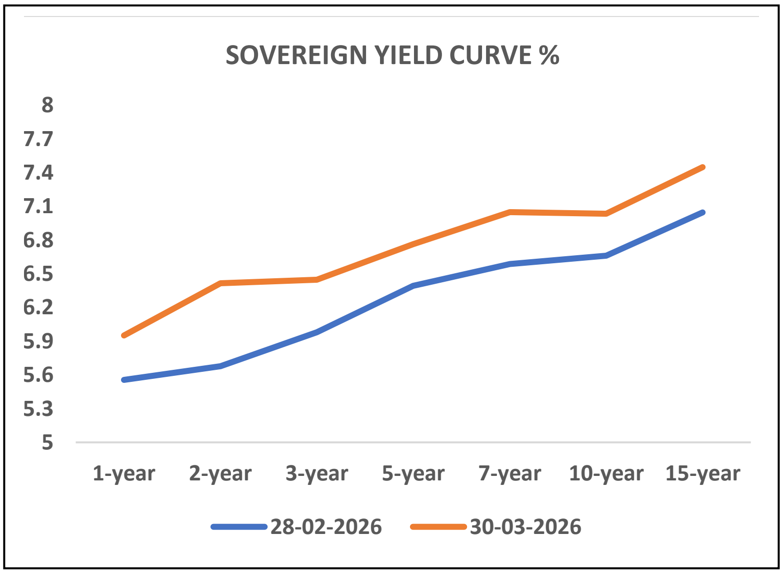
CD levels went up due to year end pressure. Ample liquidity paired with low CD supply should anchor short-term rates firmly through Q1 FY27.



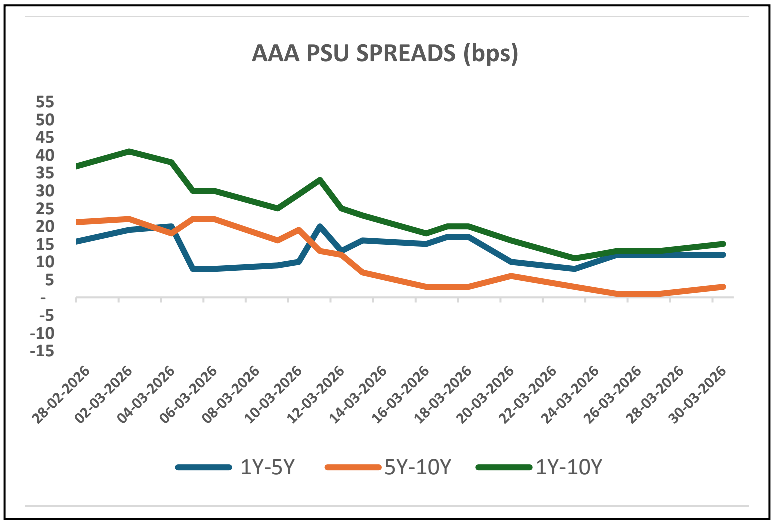


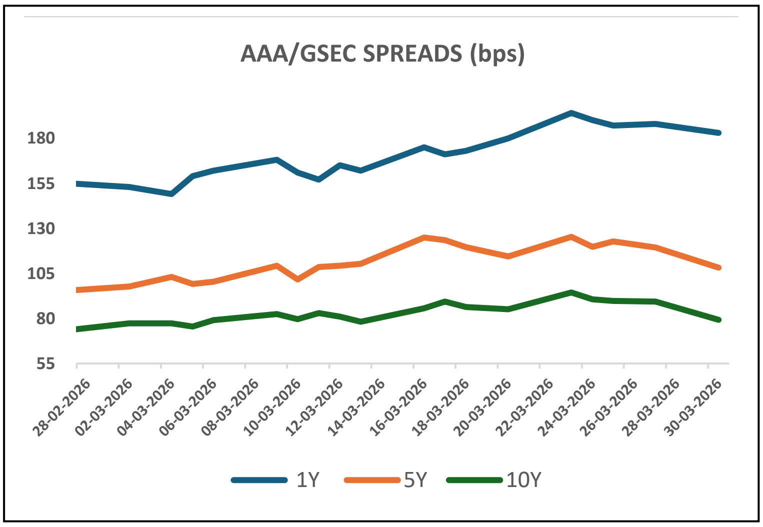
Corporate bond issuances dipped slightly to ₹88,000 crore in March 2026, led by the manufacturing sector, followed by banks and NBFCs.





India’s 10-year benchmark bond closed at ₹96.2, with yield up 9 bps on the day to 7.0345%. It rose 45 bps in FY26, after easing in last two financial years, while in Mar’26 it ended 37bps higher, biggest jump since Feb 2017.Bond yields kept rising, while the yield curve slightly steepened closing a tough year as the Middle East war lifted oil prices and dragged the rupee lower Overshadowing RBI’s debt buys and liquidity push. Overnight index swaps in India spiked through Mar’26, Adding strain on government bonds.





The yield on the 10-year corporate bond (10-year PSU) hardened 28 bps to 7.70% from 7.42% in February, while the spread of the 10-year AAA-rated PSU over 10-year G-sec closed at ~79 bps vs ~73 bps in February. The 10-year G-sec yield is projected in the range of 6.84% to 6.96% in April, down from 7.02% in Mar'26. The 10-year corporate bond yield is projected in the range of 7.51% to 7.61%, compared with 7.70% in Mar'26.

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

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