BONDWATCH

INDIA

Daily

07-07-2026

The benchmark 6.94 2036 bond yield closed at 6.6958% on Tuesday from 6.6851% on Monday.

Indian benchmark bond yield rose slightly today as renewed tensions in the middle east, rising U.S. yields added to some caution. Underlying sentiments stayed positive on the back of improved monsoon conditions, steady foreign inflows, and rising expectations of India's inclusion in the Bloomberg Index. OIS rates dropped with rising receiving interest, the 5Y OIS was down 1.75 bps at 6.1175% while the rupee strengthened 0.45% to 94.97/USD, its sharpest one day rise in three weeks.

Oil prices firmed, with Brent at $72.9 and WTI at $69.3, after vessel attacks near the Strait of Hormuz revived supply-route fears. Two tankers a Qatari LNG vessel and a Saudi crude carrier were damaged near the Strait of Hormuz after reported Iranian missile fire, underscoring persistent risks to Gulf shipping.

Improved rainfall has eased near term worries, but El Niño still poses food inflation risks. Foreign investors bought ₹351bn ($3.70bn) in bonds via FAR since June.

Globally, Euro zone bond yields edged higher, with Germany's 10-yr at 2.97% (+2 bps) and France's 10-yr at 3.75% (+1.5 bps), as investors weighed fragile macro outlook, ECB signals. JGB yields eased from multi-decade highs after a strong 30-yr auction, with the 10-yr down to 2.81%, 20-yr at 3.77%, and 30-yr at 4.01% on robust demand. The yield on the U.S. 10-year bond rose 2 bps to 4.4971% in Asian trade.

Market Observations.
G-sec

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 21,350crs worth of bonds. Post cut-off, buying demand was visible by Primary Dealers in 15-year maturity sdls at 7.60 centric levels.

Switches was visible in 10-year maturity Gsec (6.48 2035 vs 6.94 2036) at 2.50bps and 2.75bps, where 6.48 2035 traded higher. This switch was predominantly dealt between Mutual Funds and Foreign Banks to the combined tune of 600crs.

2032 maturity strips witnessed size buying demand by Foreign Banks at 7.14 levels, where Insurance Companies acted as sellers.

Corp Bond

Corporate bond yields rose slightly, with benchmark indicative levels at 7.28% for the 1 year, 7.25% for the 5 year and 7.44% for the 10 year. Trading activity was largely concentrated in the medium-term segment, followed by the short term MMY segment.

CP/CD

CD rates rose across segments with the 3M CD (Oct Maturity) at 6.50%, 6M (Jan Maturity) at 6.85% and 1Y (Jul 27 Mat) at 7.10%. Activity was concentrated in JFM and December segment, led by banks and mutual funds.

GOI Yield	7-Jul	6-Jul	29-Jun	5-Jun
1 Year	5.64	5.64	5.60	5.93
5 Year	6.36	6.37	6.43	6.65
10 Year	6.70	6.69	6.75	6.98

AAA Bmk	7-Jul	6-Jul	29-Jun	5-Jun
1 Year	7.28	7.23	7.31	7.85
5 Year	7.25	7.20	7.27	7.60
10 Year	7.44	7.40	7.47	7.72

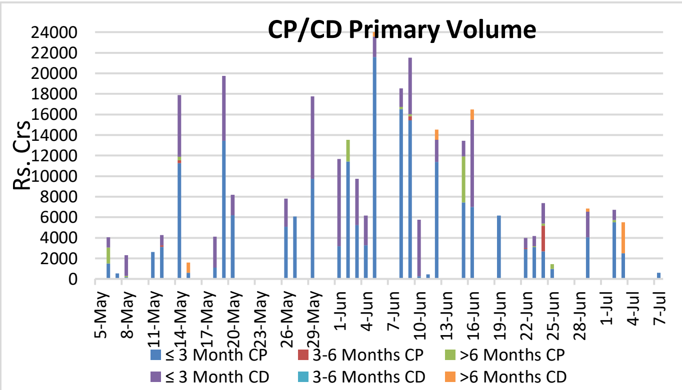
CD	7-Jul	6-Jul	29-Jun	5-Jun
3 Month	6.50	6.40	6.55	7.13
6 Month	6.85	6.75	6.90	7.50
1 Year	7.10	7.05	7.30	7.75

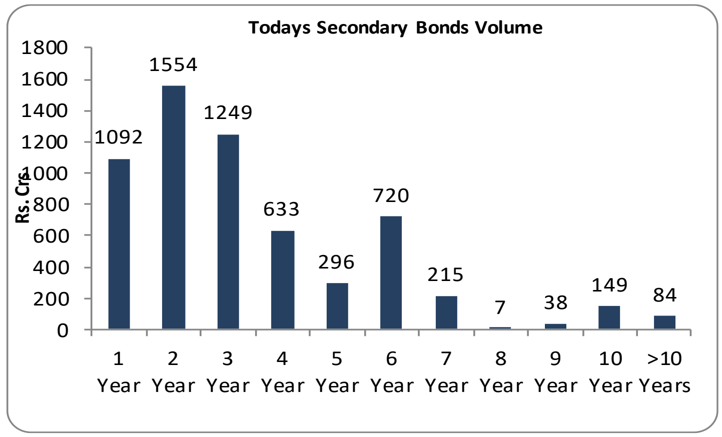
CP	7-Jul	6-Jul	29-Jun	5-Jun
3 Month	6.55	6.45	6.60	7.18
6 Month	6.90	6.80	6.95	7.55
1 Year	7.15	7.10	7.35	7.80

OIS Rate	7-Jul	6-Jul	29-Jun	5-Jun
1 Year	5.73	5.73	5.77	6.04
2 Year	5.87	5.88	5.92	6.23
3 Year	5.97	5.98	6.03	6.35
5 Year	6.12	6.13	6.19	6.54

	7-Jul	6-Jul	29-Jun	5-Jun
Sensex	78,181	78,285	76,728	74,243
Nifty	24,399	24,430	23,946	23,367
USD/INR	94.97	95.40	94.54	94.95
Gold (USD)	4,142	4,164	4,016	4,329
Oil (USD)	72.76	71.99	73.15	93.09

NDF	7-Jul	6-Jul	29-Jun	5-Jun
3 Month	95.59	96.13	95.37	96.17
1 Year	97.64	98.21	97.41	98.52
2 Year	100.36	100.88	100.00	101.58
3 Year	103.82	104.38	103.50	104.20





10 Year Benchmarks	7-Jul	6-Jul	29-Jun	5-Jun
India	6.70	6.69	6.75	6.98
US	4.49	4.48	4.37	4.54
South Korea	4.21	4.20	4.12	4.24
Brazil	14.49	14.49	14.42	14.76
Germany	2.97	2.95	2.86	3.04
China	1.73	1.73	1.73	1.76

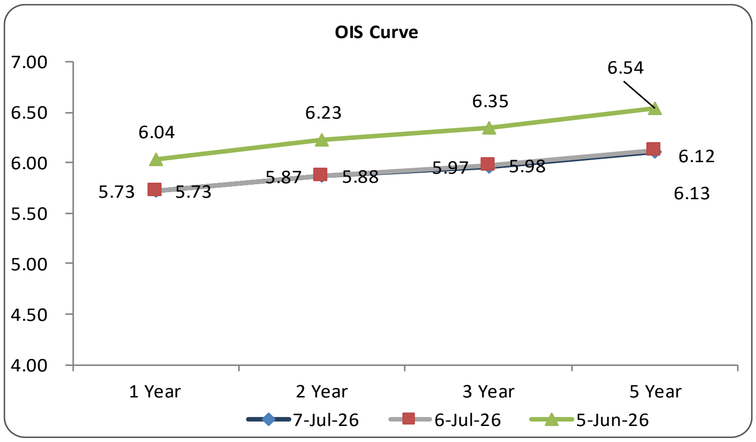
Top Traded Securities	Volume	7-Jul	6-Jul	29-Jun	5-Jun
6.75 2029	10	6.28	6.28	6.31	6.43
6.79 2034	45	6.70	6.68	6.73	7.00
6.33 2035	0	6.71	6.68	6.72	6.88
6.92 2039	0	6.95	6.91	6.97	7.17
7.09 2054	5	7.34	7.33	7.34	7.58
7.34 2064	105	7.49	7.44	7.45	7.65

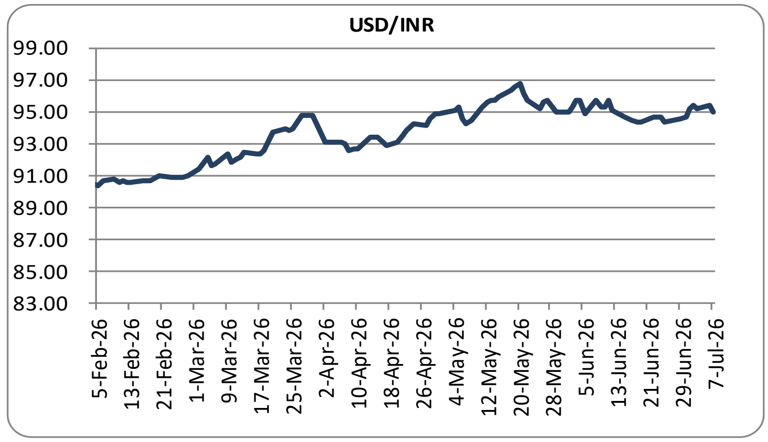
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
3-Jul-26	20,257	21,736	(1,478.80)	14,642	17,025	(2,383.67)	34,899	38,762	(3,862.47)

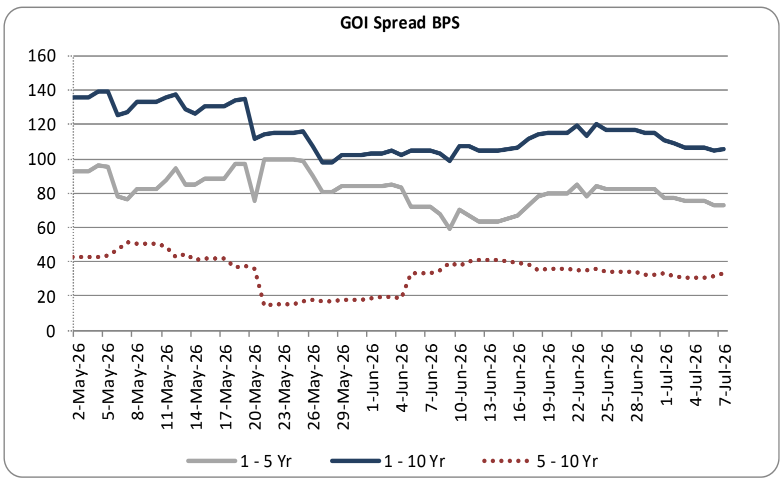
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
7-Jul-26	1403	1298	104.47	12826	11978	848.33	14229	13276	952.80

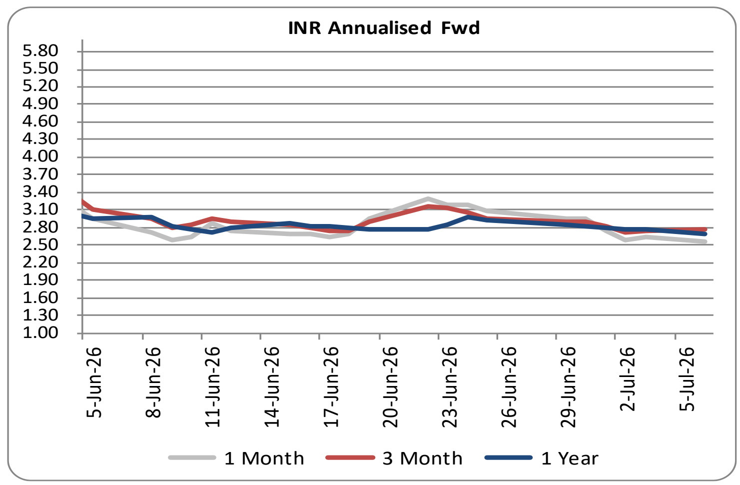
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	May-26	9.68	8.26
CPI (%)	May-26	3.93	3.48
IIP (%)	May-26	5.10	4.90
PMI Manufacturing	Jun-26	54.20	55.00
PMI Service	Jun-26	57.40	59.80

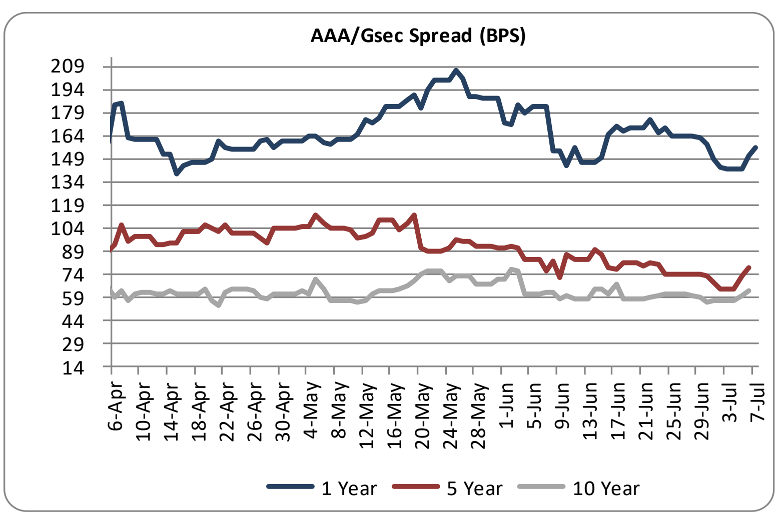
Economic Calender	Country	Date	Poll	Prior
Crude Oil Inventories	U.S.	08-Jul-26		(3.775)M
FOMC Meeting Minutes	U.S.	08-Jul-26		
Initial Jobless Claims	U.S.	09-Jul-26		215K
Existing Home Sales (Jun)	U.S.	09-Jul-26	4.20M	4.17M
FX Reserves, USD	INDIA	10-Jul-26		

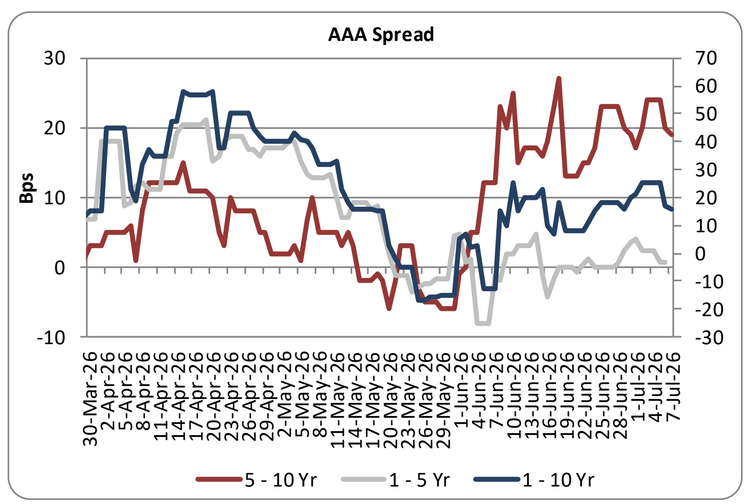

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.04
6.23
6.35
6.54
5.73
5.73
5.87
5.88
5.97
5.98
6.12
6.13
1 Year
2 Year
3 Year
5 Year
7-Jul-26
6-Jul-26
5-Jun-26

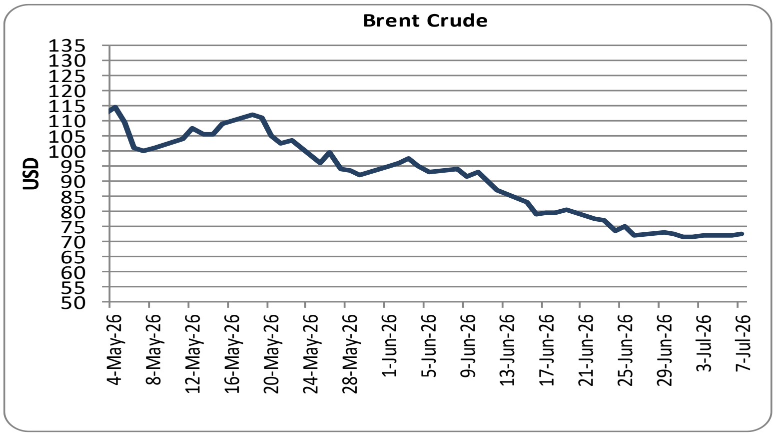

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
5-Feb-26
13-Feb-26
21-Feb-26
1-Mar-26
9-Mar-26
17-Mar-26
25-Mar-26
2-Apr-26
10-Apr-26
18-Apr-26
26-Apr-26
4-May-26
12-May-26
20-May-26
28-May-26
5-Jun-26
13-Jun-26
21-Jun-26
29-Jun-26
7-Jul-26

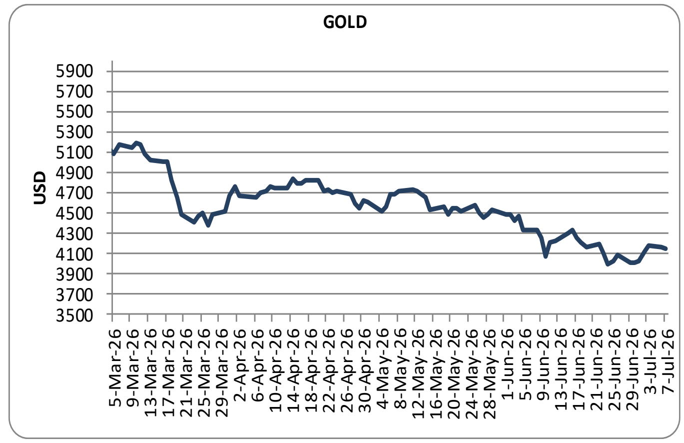

GOI Spread BPS
160
140
120
100
80
60
40
20
0
2-May-26
5-May-26
8-May-26
11-May-26
14-May-26
17-May-26
20-May-26
23-May-26
26-May-26
29-May-26
1-Jun-26
4-Jun-26
7-Jun-26
10-Jun-26
13-Jun-26
16-Jun-26
19-Jun-26
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
5.80
5.50
5.20
4.90
4.60
4.30
4.00
3.70
3.40
3.10
2.80
2.50
2.20
1.90
1.60
1.30
1.00
5-Jun-26
8-Jun-26
11-Jun-26
14-Jun-26
17-Jun-26
20-Jun-26
23-Jun-26
26-Jun-26
29-Jun-26
2-Jul-26
5-Jul-26
1 Month
3 Month
1 Year


AAA/Gsec Spread (BPS)
209
194
179
164
149
134
119
104
89
74
59
44
29
14
6-Apr
10-Apr
14-Apr
18-Apr
22-Apr
26-Apr
30-Apr
4-May
8-May
12-May
16-May
20-May
24-May
28-May
1-Jun
5-Jun
9-Jun
13-Jun
17-Jun
21-Jun
25-Jun
29-Jun
3-Jul
7-Jul
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
70
60
50
40
30
20
10
0
-10
-20
-30
30-Mar-26
2-Apr-26
5-Apr-26
8-Apr-26
11-Apr-26
14-Apr-26
17-Apr-26
20-Apr-26
23-Apr-26
26-Apr-26
29-Apr-26
2-May-26
5-May-26
8-May-26
11-May-26
14-May-26
17-May-26
20-May-26
23-May-26
26-May-26
29-May-26
1-Jun-26
4-Jun-26
7-Jun-26
10-Jun-26
13-Jun-26
16-Jun-26
19-Jun-26
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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