BONDWATCH

INDIA

Daily

03-08-2026

The benchmark 6.94 2036 bond yield closed flat at 6.8343% on Monday having moved in a range of 6.83%-6.89% during the day.

The Indian benchmark G-sec yield ended flattish as lower oil prices coupled with increasing flows from central bank's dollar-inflow schemes helping cushion the impact of Bloomberg's postponed debt inclusion decision. OIS rates eased tracking lower oil prices with the 5Y OIS down 4bps at 6.3650%, while rupee ended flat at 95.34 per U.S. Dollar.

RBI has received inflows of nearly $41 billion by end-July under schemes announced in June, which is supporting bond demand.

Focus now is on the RBI's policy due Wednesday, with consensus pointing to rates being held steady.

Oil prices fell sharply after Trump held off a new strike on Iran, opting for a quick deal to curb Tehran's nuclear program and reopen the Strait of Hormuz. Brent dropped 4.8% to $83.70/barrel and WTI fell 6% to $79.60/barrel, both marking their biggest single-day declines in over a week.

Globally, Japan's 2-year yield rose 3.5 bps to 1.54%, its highest since 1995. The coordinated yen intervention boosted expectations of an early BOJ rate hike. BOJ data suggests Japan may have spent up to $36.58 billion to prop up the yen on Friday. Euro zone bond yields fell Monday as oil prices dropped on hopes of imminent Iran talks, with Germany's 10-year yield down 6 bps to 3.142% while Italy's 10-year fell 9 bps to 3.94%. US 10-year yield fell 5.5 bps to 4.69%, off Friday's 18-month high of 4.747%, as oil fell on Iran talk hopes.

Market Observations

G-sec

4 to 7-year maturity SDLs (2030 to 2033) witnessed size buying demand by Private Banks at 7.00, 7.04, 7.09 and 7.30 levels, where Mutual Funds / NBFCs acted as major sellers.

10-11-year maturity SDLs (2036 / 2037) witnessed buying demand by Pension Funds / NBFCs at 7.47 centric levels, where Mutual Funds acted as sellers.

Corp Bond

Corp bond yields remained flattish across the curve, with benchmark indicative levels at 7.45% for the 1-year, 7.39% for the 5-year and 7.45% 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 eased by 5-7bps across the curve with the 3M (Nov maturity) at 6.70%, 6M (Feb maturity) at 6.83% and 1Y (Aug maturity) at 7.10%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	3-Aug	31-Jul	27-Jul	3-Jul
1 Year	5.70	5.71	5.68	5.65
5 Year	6.42	6.45	6.43	6.41
10 Year	6.83	6.83	6.77	6.71

AAA Bmk	3-Aug	31-Jul	27-Jul	3-Jul
1 Year	7.45	7.40	7.35	7.15
5 Year	7.39	7.40	7.33	7.16
10 Year	7.45	7.45	7.40	7.40

CD	3-Aug	31-Jul	27-Jul	3-Jul
3 Month	6.70	6.80	6.79	6.26
6 Month	6.83	6.90	6.90	6.65
1 Year	7.10	7.20	7.15	7.00

CP	3-Aug	31-Jul	27-Jul	3-Jul
3 Month	6.75	6.85	6.84	6.31
6 Month	6.88	6.95	6.95	6.70
1 Year	7.15	7.25	7.20	7.05

OIS Rate	3-Aug	31-Jul	27-Jul	3-Jul
1 Year	5.88	5.92	5.91	5.78
2 Year	6.07	6.12	6.08	5.91
3 Year	6.18	6.22	6.17	6.01
5 Year	6.37	6.41	6.36	6.18

	3-Aug	31-Jul	27-Jul	3-Jul
Sensex	78,639	78,095	76,836	77,764
Nifty	24,774	24,384	23,996	24,271
USD/INR	95.34	95.38	95.91	95.21
Gold (USD)	4,049	4,041	4,075	4,175
Oil (USD)	83.43	90.12	88.36	72.12

NDF	3-Aug	31-Jul	27-Jul	3-Jul
3 Month	96.09	96.25	96.59	95.97
1 Year	98.36	98.53	98.86	97.97
2 Year	101.18	101.39	101.70	100.54
3 Year	104.34	104.56	105.13	104.04

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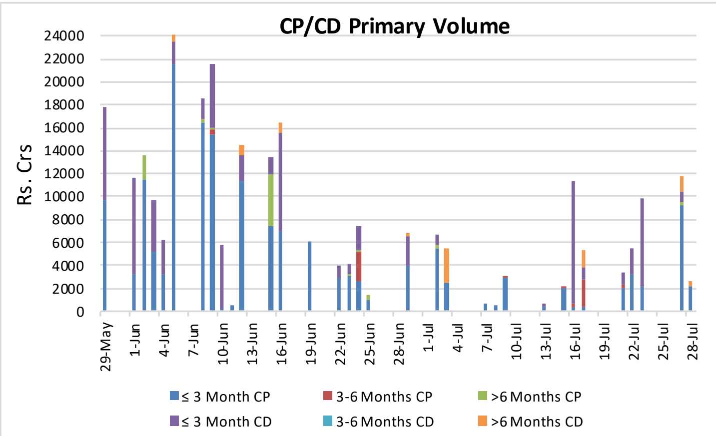
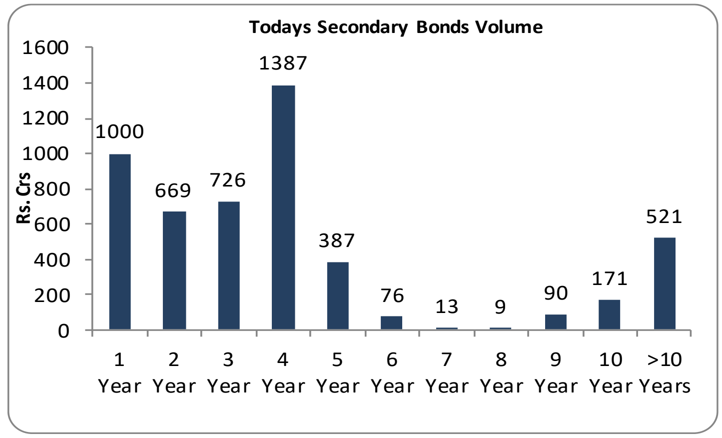




10 Year Benchmarks	3-Aug	31-Jul	27-Jul	3-Jul
India	6.84	6.84	6.77	6.71
US	4.68	4.75	4.64	4.48
South Korea	4.25	4.26	4.33	4.20
Brazil	14.77	14.77	14.80	14.54
Germany	3.14	3.20	3.13	2.93
China	1.71	1.71	1.73	1.74

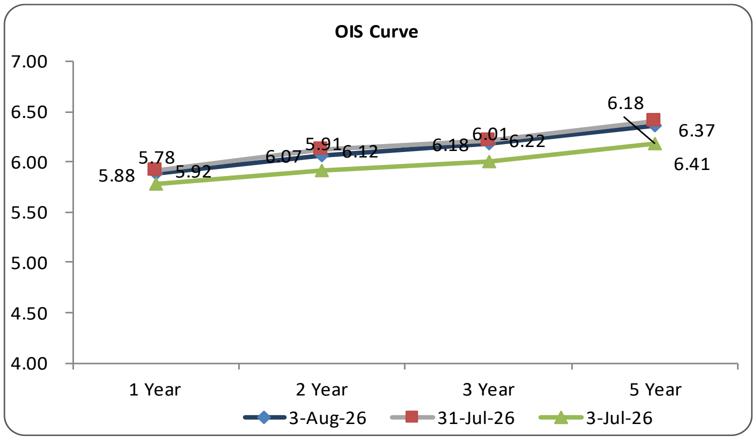
Top Traded Securities	Volume	3-Aug	31-Jul	27-Jul	3-Jul
6.75 2029	0	6.34	6.40	6.35	6.20
6.79 2034	0	6.82	6.80	6.73	6.72
6.33 2035	0	6.79	6.78	6.71	6.70
6.92 2039	0	#N/A	6.94	7.04	6.92
7.09 2054	0	#N/A	7.50	7.41	7.33
7.34 2064	90	7.60	7.59	7.54	7.44

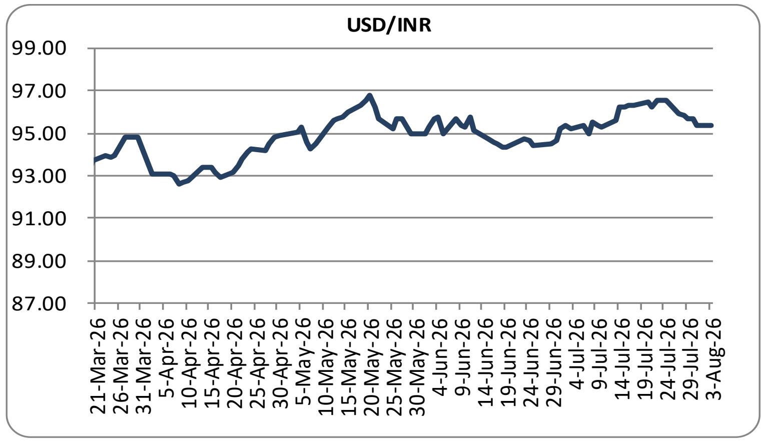
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
24-Jul-26	9,360	11,307	(1,947.45)	11,744	8,663	3,081.31	21,104	19,970	1,133.86

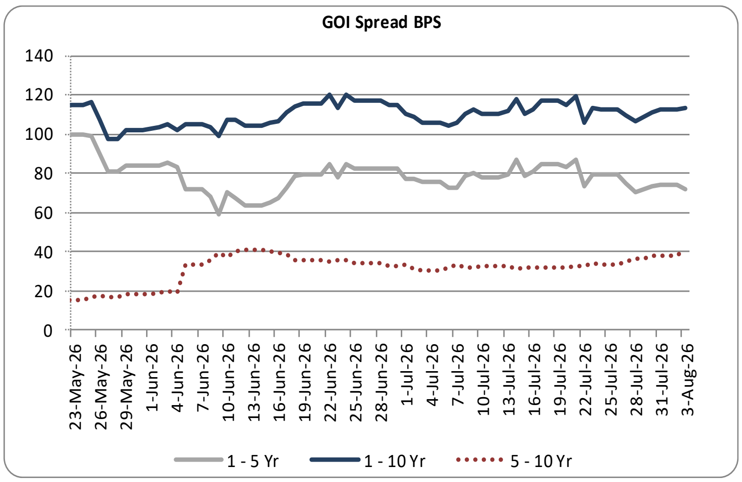
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
3-Aug-26	903	1388	(484.72)	20641	19290	1,351.02	21544	20678	866.30

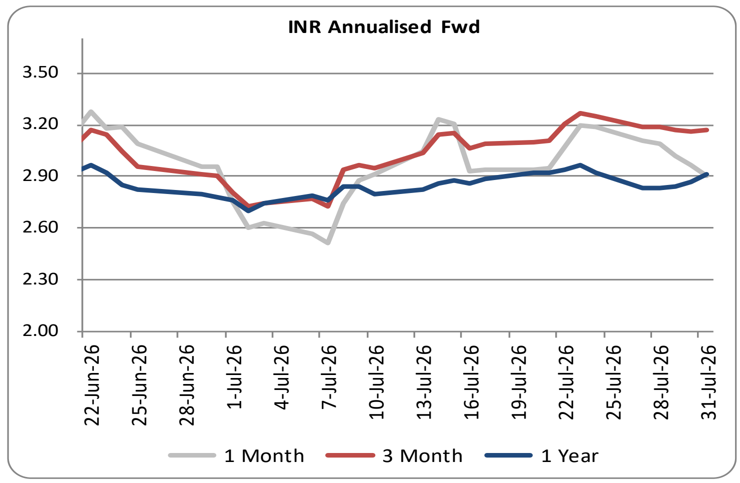
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jun-26	9.87	9.68
CPI (%)	Jun-26	4.38	3.94
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jun-26	57.40	59.80

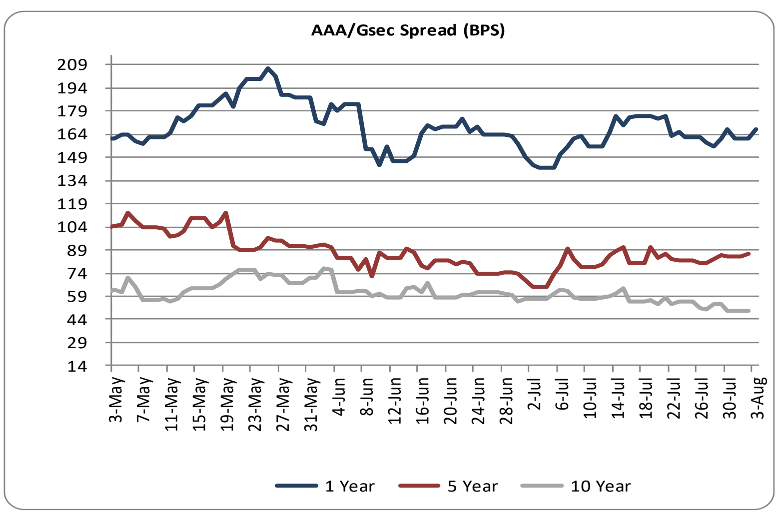
Economic Calender	Country	Date	Poll	Prior
S&P Global Manufacturing PMI (Jul)	U.S.	03-Aug-26	53.80	53.90
ISM Manufacturing PMI (Jul)	U.S.	03-Aug-26		53.30
JOLTS Job Openings (Jun)	U.S.	04-Aug-26		7.594M
Interest Rate Decision	INDIA	05-Aug-26		5.25
S&P Global Services PMI (Jul)	INDIA	05-Aug-26	53.10	57.40
ADP Nonfarm Employment Change (Jul)	U.S.	05-Aug-26		98K
S&P Global Services PMI (Jul)	U.S.	05-Aug-26	53.60	51.20
ISM Non-Manufacturing PMI (Jul)	U.S.	05-Aug-26		54.00

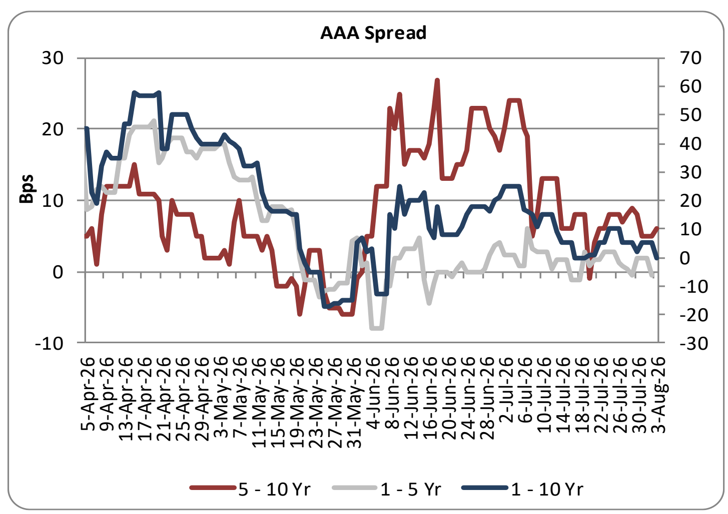

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
1 Year
2 Year
3 Year
5 Year
5.78
5.88
5.92
6.07
5.91
6.12
6.18
6.01
6.22
6.18
6.37
6.41
3-Aug-26
31-Jul-26
3-Jul-26


USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
21-Mar-26
26-Mar-26
31-Mar-26
5-Apr-26
10-Apr-26
15-Apr-26
20-Apr-26
25-Apr-26
30-Apr-26
5-May-26
10-May-26
15-May-26
20-May-26
25-May-26
30-May-26
4-Jun-26
9-Jun-26
14-Jun-26
19-Jun-26
24-Jun-26
29-Jun-26
4-Jul-26
9-Jul-26
14-Jul-26
19-Jul-26
24-Jul-26
29-Jul-26
3-Aug-26


GOI Spread BPS
140
120
100
80
60
40
20
0
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
10-Jul-26
13-Jul-26
16-Jul-26
19-Jul-26
22-Jul-26
25-Jul-26
28-Jul-26
31-Jul-26
3-Aug-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
3.50
3.20
2.90
2.60
2.30
2.00
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
10-Jul-26
13-Jul-26
16-Jul-26
19-Jul-26
22-Jul-26
25-Jul-26
28-Jul-26
31-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
3-May
7-May
11-May
15-May
19-May
23-May
27-May
31-May
4-Jun
8-Jun
12-Jun
16-Jun
20-Jun
24-Jun
28-Jun
2-Jul
6-Jul
10-Jul
14-Jul
18-Jul
22-Jul
26-Jul
30-Jul
3-Aug
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
5-Apr-26
9-Apr-26
13-Apr-26
17-Apr-26
21-Apr-26
25-Apr-26
29-Apr-26
3-May-26
7-May-26
11-May-26
15-May-26
19-May-26
23-May-26
27-May-26
31-May-26
4-Jun-26
8-Jun-26
12-Jun-26
16-Jun-26
20-Jun-26
24-Jun-26
28-Jun-26
2-Jul-26
6-Jul-26
10-Jul-26
14-Jul-26
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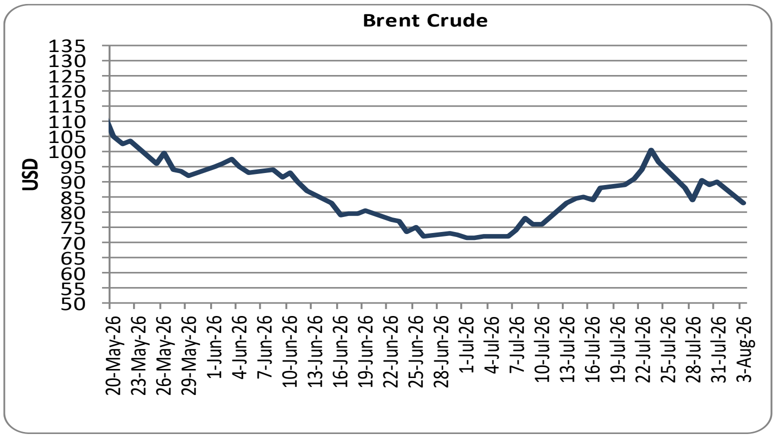
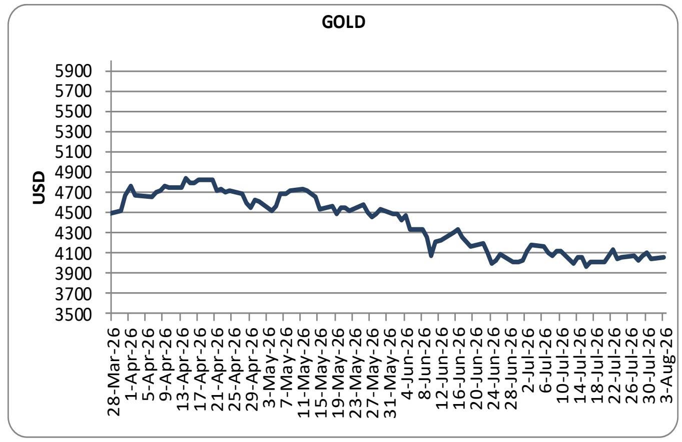
22-Jul-26
26-Jul-26
30-Jul-26
3-Aug-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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