BONDWATCH

INDIA

Daily

04-08-2026

The benchmark 6.94 2036 bond yield closed at 6.8152% on Tuesday from 6.8343% on Monday.

The Indian benchmark G-sec yield eased slightly ahead of RBI policy decision while traders remained cautious on conflicting signals from the United States and Iran over the status of talks aimed at ending the war. OIS rates were flattish with the 5Y OIS at 6.3550%.

Oil slid ~4% to $80.66/bbl after comments by Qatar and U.S. Treasury Secretary Scott Bessent raised hopes of Middle East diplomacy, with Brent futures down $3.11 after touching $86.33 intraday.

RBI has received inflows of nearly $41 billion by end-July under schemes announced in June, which is supporting bond demand. Liquidity surplus in India climbed to ₹2.44 trillion on Monday, the highest in nearly 12 weeks, supported by stronger FCNR(B) inflows and government expenditure.

Focus now is on the RBI's policy due Wednesday, with consensus pointing to rates being held steady. We expect the policy repo rate to remain unchanged in its August policy at 5.25%, alongside a neutral stance. RBI is likely to take balanced approach with hawkish caution, we expect MPC to retain a data dependent approach closely watching geopolitical risks, commodity prices, broad based inflationary pressures.

Market Observations

G-sec

Demand was concentrated in the 4–7-year segment as banks continued ALM-driven deployment.

SDLs were quoted with 2031 maturities at 6.98–7.02%, 2032 at 7.08–7.11%, and 2033 at 7.24–7.28%.

Corp Bond

Corp bond yields remained flattish across the curve, with benchmark indicative levels at 7.35% for the 1-year, 7.40% for the 5-year and 7.47% 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 remained more or less flattish across the curve with the 3M (Nov maturity) at 6.75%, 6M (Feb maturity) at 6.85% and 1Y (Aug maturity) at 7.10%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	4-Aug	3-Aug	28-Jul	2-Jul
1 Year	5.70	5.70	5.71	5.63
5 Year	6.41	6.42	6.41	6.40
10 Year	6.82	6.83	6.78	6.72

AAA Bmk	4-Aug	3-Aug	28-Jul	2-Jul
1 Year	7.35	7.45	7.35	7.15
5 Year	7.40	7.39	7.32	7.20
10 Year	7.47	7.45	7.40	7.40

CD	4-Aug	3-Aug	28-Jul	2-Jul
3 Month	6.75	6.70	6.82	6.21
6 Month	6.85	6.83	6.90	6.60
1 Year	7.10	7.10	7.15	6.95

CP	4-Aug	3-Aug	28-Jul	2-Jul
3 Month	6.80	6.75	6.87	6.26
6 Month	6.90	6.88	6.95	6.65
1 Year	7.15	7.15	7.20	7.00

OIS Rate	4-Aug	3-Aug	28-Jul	2-Jul
1 Year	5.87	5.88	5.88	5.79
2 Year	6.06	6.07	6.07	5.93
3 Year	6.17	6.18	6.17	6.05
5 Year	6.36	6.37	6.35	6.20

	4-Aug	3-Aug	28-Jul	2-Jul
Sensex	78,429	78,639	76,766	77,502
Nifty	24,615	24,774	23,985	24,176
USD/INR	95.38	95.34	95.85	95.39
Gold (USD)	4,065	4,053	4,027	4,123
Oil (USD)	81.64	83.77	84.09	71.80

NDF	4-Aug	3-Aug	28-Jul	2-Jul
3 Month	96.00	96.07	96.44	95.96
1 Year	98.23	98.35	98.69	97.96
2 Year	101.06	101.21	101.56	100.73
3 Year	104.24	104.38	104.97	104.23

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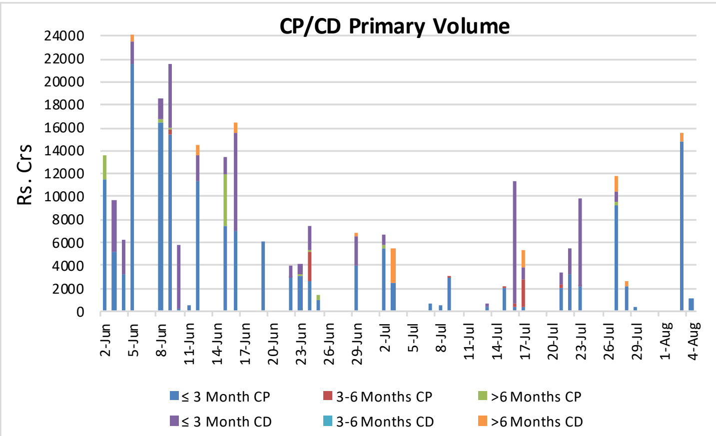
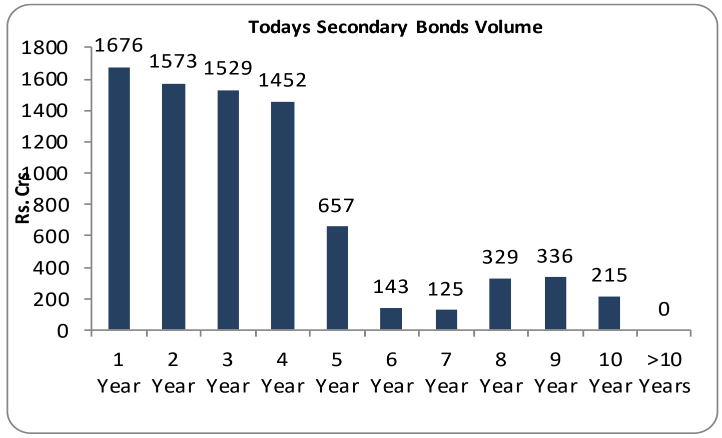




10 Year Benchmarks	4-Aug	3-Aug	28-Jul	2-Jul
India	6.82	6.84	6.78	6.72
US	4.67	4.68	4.60	4.48
South Korea	4.25	4.25	4.30	4.18
Brazil	14.57	14.57	14.77	14.66
Germany	3.12	3.15	3.11	2.90
China	1.70	1.71	1.73	1.77

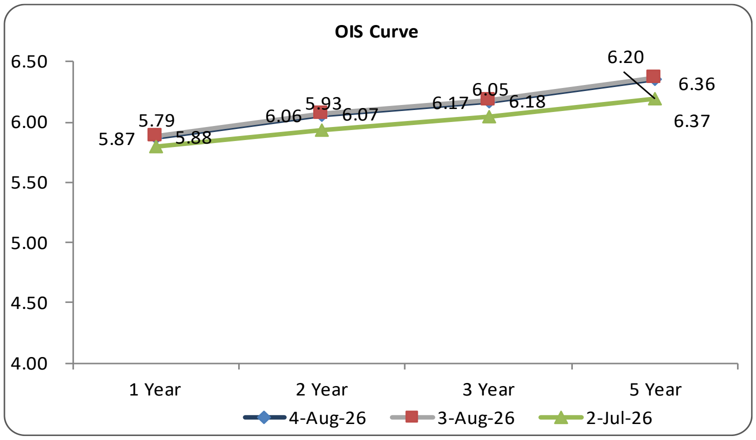
Top Traded Securities	Volume	4-Aug	3-Aug	28-Jul	2-Jul
6.75 2029	0	6.34	6.32	6.21	6.32
6.79 2034	65	6.78	6.82	6.74	6.70
6.33 2035	0	6.77	6.78	6.72	6.70
6.92 2039	0	#N/A	7.01	7.04	6.91
7.09 2054	0	#N/A	7.55	7.44	7.33
7.34 2064	0	7.63	7.59	7.54	7.43

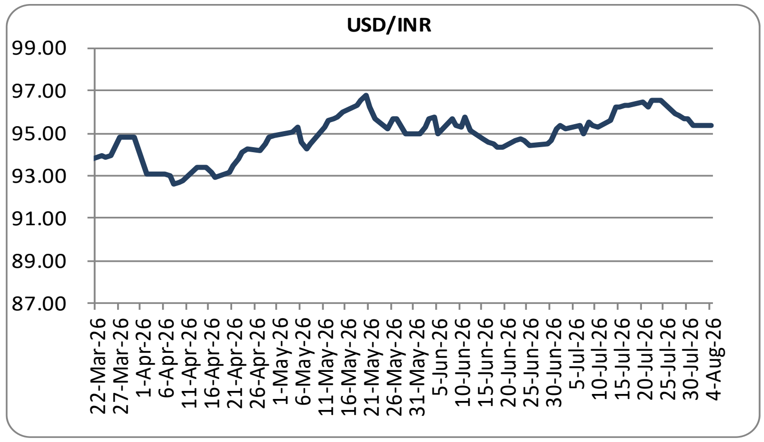
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
31-Jul-26	676	703	(26.36)	1,233	755	478.22	1,910	1,458	451.86

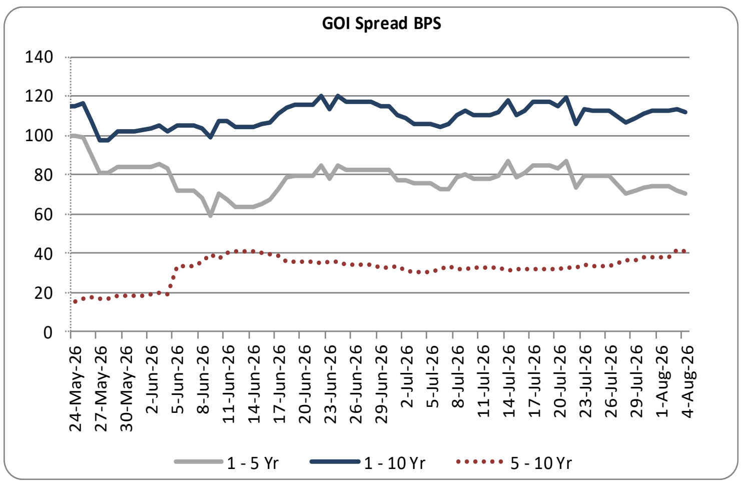
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
4-Aug-26	145	223	(78.00)	13275	11844	1,431.45	13421	12067	1,353.45

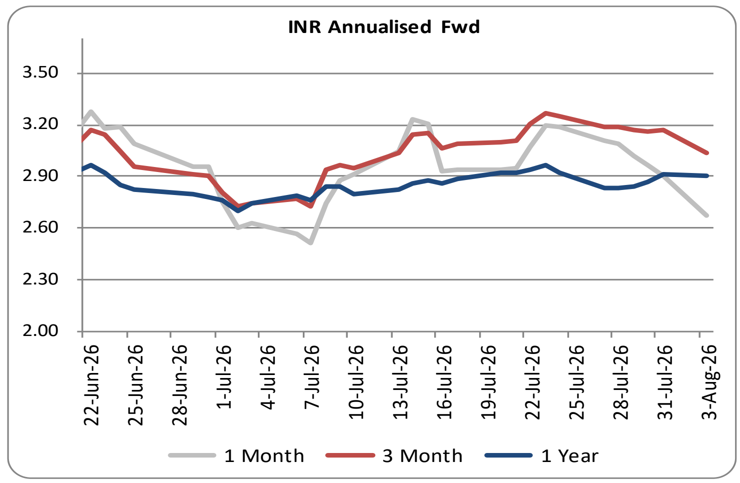
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jun-26	9.87	9.68
CPI (%)	Jun-26	4.38	3.94
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jun-26	57.40	59.80

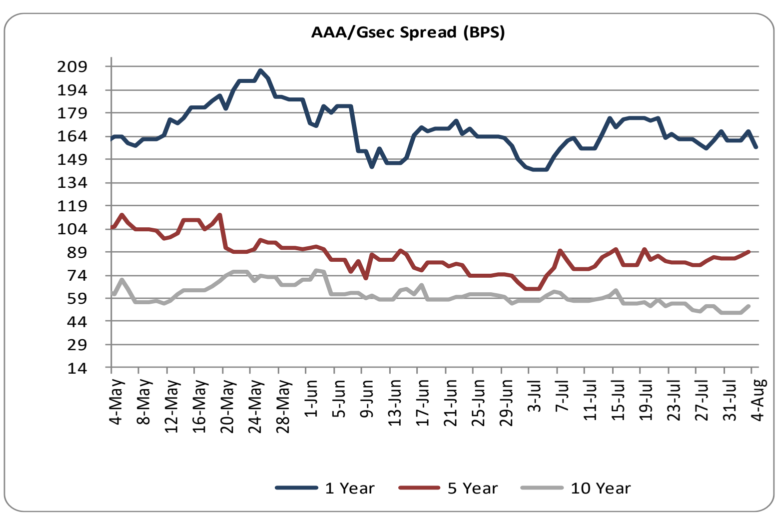
Economic Calender	Country	Date	Poll	Prior
JOLTS Job Openings (Jun)	U.S.	04-Aug-26		7.594M
Interest Rate Decision	INDIA	05-Aug-26		5.25
S&P Global Services PMI (Jul)	INDIA	05-Aug-26	53.10	57.40
ADP Nonfarm Employment Change (Jul)	U.S.	05-Aug-26		98K
S&P Global Services PMI (Jul)	U.S.	05-Aug-26	53.60	51.20
ISM Non-Manufacturing PMI (Jul)	U.S.	05-Aug-26		54.00
Crude Oil Inventories	U.S.	05-Aug-26		(7.167)M
Initial Jobless Claims	U.S.	06-Aug-26		

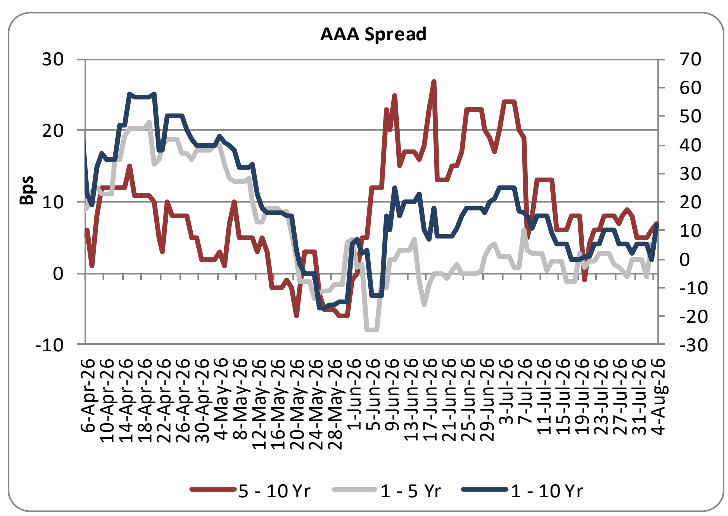

OIS Curve
6.50
6.00
5.50
5.00
4.50
4.00
5.87
5.79
5.88
6.06
5.93
6.07
6.17
6.05
6.18
6.20
6.36
6.37
1 Year
2 Year
3 Year
5 Year
4-Aug-26
3-Aug-26
2-Jul-26


USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
22-Mar-26
27-Mar-26
1-Apr-26
6-Apr-26
11-Apr-26
16-Apr-26
21-Apr-26
26-Apr-26
1-May-26
6-May-26
11-May-26
16-May-26
21-May-26
26-May-26
31-May-26
5-Jun-26
10-Jun-26
15-Jun-26
20-Jun-26
25-Jun-26
30-Jun-26
5-Jul-26
10-Jul-26
15-Jul-26
20-Jul-26
25-Jul-26
30-Jul-26
4-Aug-26


GOI Spread BPS
140
120
100
80
60
40
20
0
24-May-26
27-May-26
30-May-26
2-Jun-26
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
8-Jul-26
11-Jul-26
14-Jul-26
17-Jul-26
20-Jul-26
23-Jul-26
26-Jul-26
29-Jul-26
1-Aug-26
4-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
3-Aug-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
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
11-Jul
15-Jul
19-Jul
23-Jul
27-Jul
31-Jul
4-Aug
1 Year
5 Year
10 Year


AAA Spread
30
20
10
0
-10
Bps
70
60
50
40
30
20
10
0
-10
-20
-30
6-Apr-26
10-Apr-26
14-Apr-26
18-Apr-26
22-Apr-26
26-Apr-26
30-Apr-26
4-May-26
8-May-26
12-May-26
16-May-26
20-May-26
24-May-26
28-May-26
1-Jun-26
5-Jun-26
9-Jun-26
13-Jun-26
17-Jun-26
21-Jun-26
25-Jun-26
29-Jun-26
3-Jul-26
7-Jul-26
11-Jul-26
15-Jul-26
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23-Jul-26
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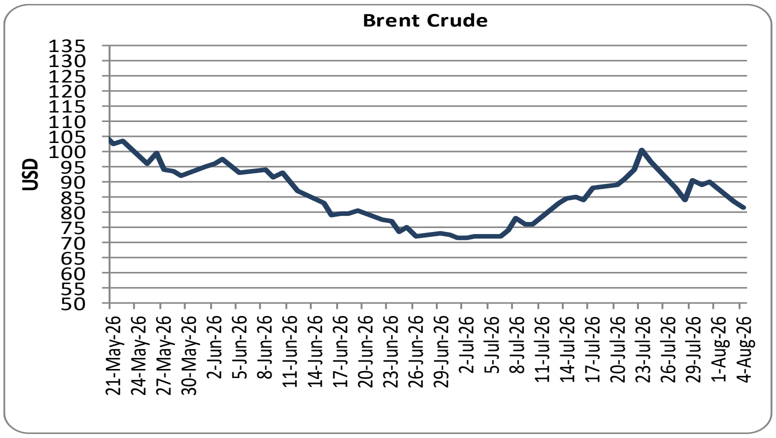
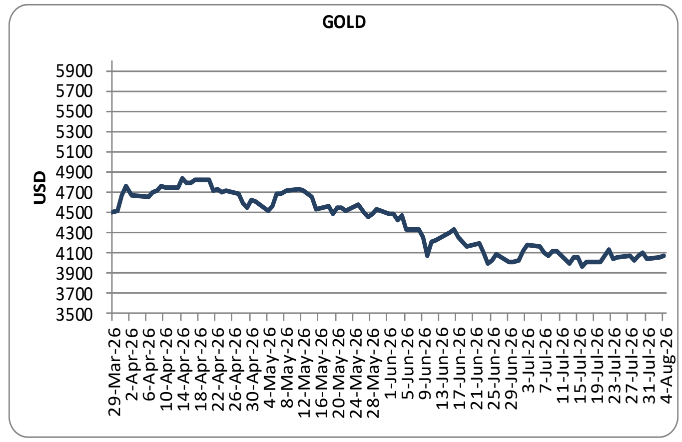
31-Jul-26
4-Aug-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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