BONDWATCH

INDIA

Daily

06-08-2026

The benchmark 6.94 2036 bond yield closed at 6.7666% on Thursday from 6.7722% on Wednesday.

The Indian 10Y benchmark G-sec yield ended more or less flattish, it eased close to 7bps since Aug 3 and fell to three week low in the last session. OIS rates rose slightly after sharp drop in the last session with the 5Y OIS at 6.26, while the rupee fell 0.11% vs the U.S. dollar to 95.22.

Sentiments remained positive after the RBI held the repo rate at 5.25% and the Governors more-dovish-than-expected policy commentary on Wednesday. MPC cut inflation forecast for FY27 by 10 bps to 5%, and also reiterated to maintain "sufficient" liquidity to keep the WACR aligned with the repo rate.

OIS rates are now pricing in about 50bps of rate hike over the next year, down from 125bps.

Focus now is on RBI's ₹32,000 crore bond sale on Friday, which includes the liquid five-year note.

Meanwhile, Oil prices stayed flat, with Brent at $79.54 and WTI at $75.27 amid market caution over whether talks between Iran and Oman will restore flows through the Strait of Hormuz, while reports of attacks on Saudi tankers in the Red Sea and Gulf of Aden renewed supply tensions.

Market Observations

G-sec

Strong demand in 3–6yr g-secs, with MF's, FPI's, and banks highly active post-policy amid positive tailwinds

2032 SDLs rallied 7–8 bps over two sessions, underscoring strong momentum in shorter tenors

2031 SDL saw ₹500cr traded at 9150, with active participation from banks

Foreign bank ALMs were highly active in 2030–2032 g-secs and SDLs post FCNR flows

Corp Bond

Corp bond yields remained flattish across the curve, with benchmark indicative levels at 7.30% 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 were trading more or less flattish across the curve with the 3M (Nov maturity) at 6.55%, 6M (Feb maturity) at 6.75% and 1Y (Aug maturity) at 7.15%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	6-Aug	5-Aug	30-Jul	6-Jul
1 Year	5.67	5.65	5.70	5.64
5 Year	6.32	6.31	6.43	6.37
10 Year	6.77	6.77	6.81	6.69

AAA Bmk	6-Aug	5-Aug	30-Jul	6-Jul
1 Year	7.30	7.35	7.45	7.23
5 Year	7.40	7.40	7.39	7.20
10 Year	7.47	7.47	7.47	7.40

CD	6-Aug	5-Aug	30-Jul	6-Jul
3 Month	6.55	6.60	6.85	6.40
6 Month	6.75	6.75	6.95	6.75
1 Year	7.15	7.15	7.20	7.05

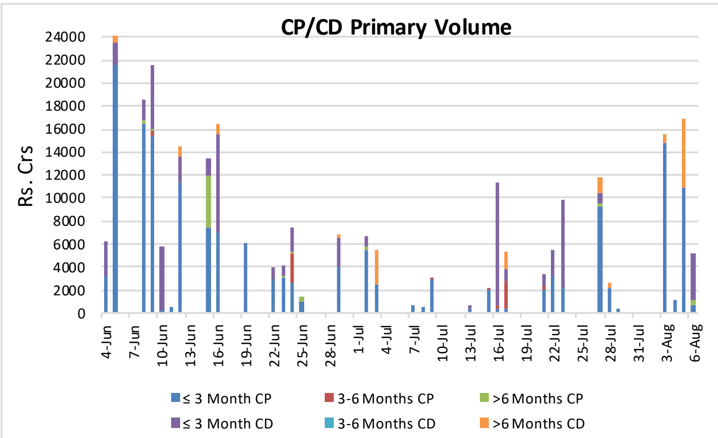
CP	6-Aug	5-Aug	30-Jul	6-Jul
3 Month	6.60	6.65	6.90	6.45
6 Month	6.80	6.80	7.00	6.80
1 Year	7.20	7.20	7.25	7.10

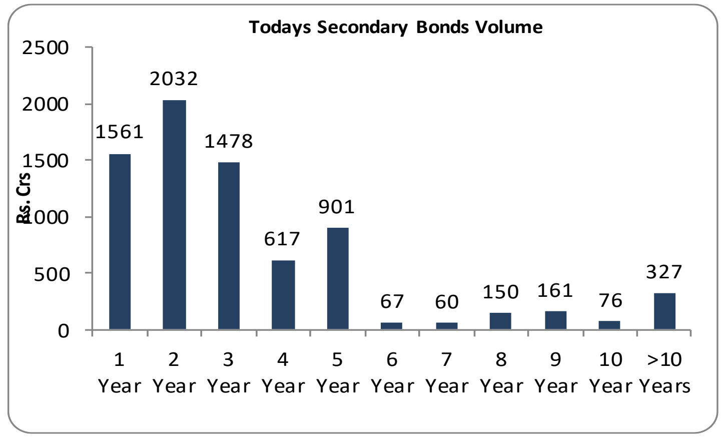
OIS Rate	6-Aug	5-Aug	30-Jul	6-Jul
1 Year	5.78	5.76	5.92	5.73
2 Year	5.95	5.94	6.12	5.88
3 Year	6.07	6.05	6.23	5.98
5 Year	6.26	6.25	6.42	6.13

	6-Aug	5-Aug	30-Jul	6-Jul
Sensex	78,955	78,581	77,928	78,285
Nifty	24,636	24,625	24,317	24,430
USD/INR	95.22	95.12	95.68	95.40
Gold (USD)	4,268	4,245	4,102	4,164
Oil (USD)	80.03	79.45	89.03	71.99

NDF	6-Aug	5-Aug	30-Jul	6-Jul
3 Month	95.97	95.74	96.41	96.13
1 Year	98.13	97.91	98.69	98.21
2 Year	100.87	100.67	101.48	100.88
3 Year	104.09	103.91	104.66	104.38

s





10 Year Benchmarks	6-Aug	5-Aug	30-Jul	6-Jul
India	6.77	6.77	6.81	6.69
US	4.63	4.62	4.66	4.48
South Korea	4.18	4.18	4.32	4.20
Brazil	14.45	14.45	14.80	14.49
Germany	3.11	3.10	3.17	2.95
China	1.71	1.71	1.78	1.73

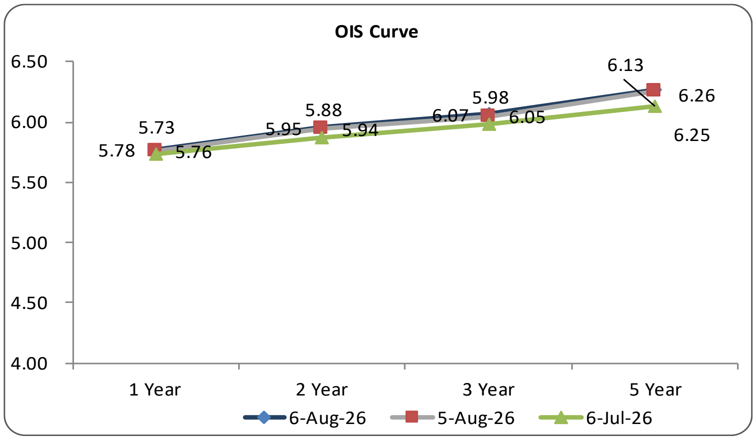
Top Traded Securities	Volume	6-Aug	5-Aug	30-Jul	6-Jul
6.75 2029	145	6.25	6.31	6.23	6.28
6.79 2034	180	6.73	6.74	6.77	6.68
6.33 2035	35	6.72	6.72	6.75	6.68
6.92 2039	0	6.94	6.92	6.97	6.91
7.09 2054	0	#N/A	7.46	7.54	7.33
7.34 2064	25	7.58	7.59	7.59	7.44

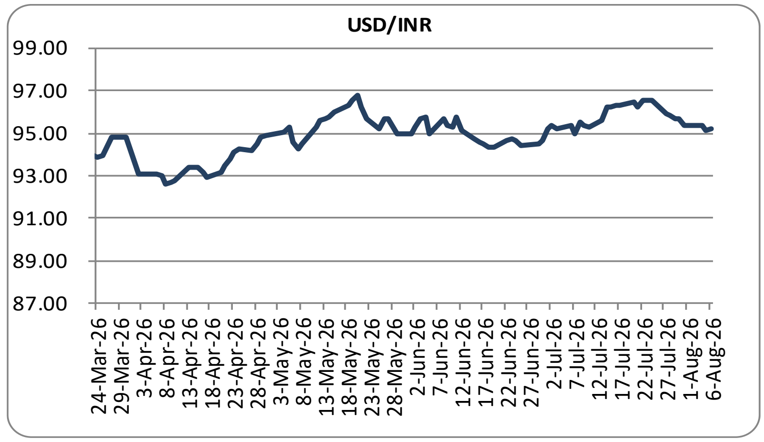
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
31-Jul-26	676	703	(26.36)	1,233	755	478.22	1,910	1,458	451.86

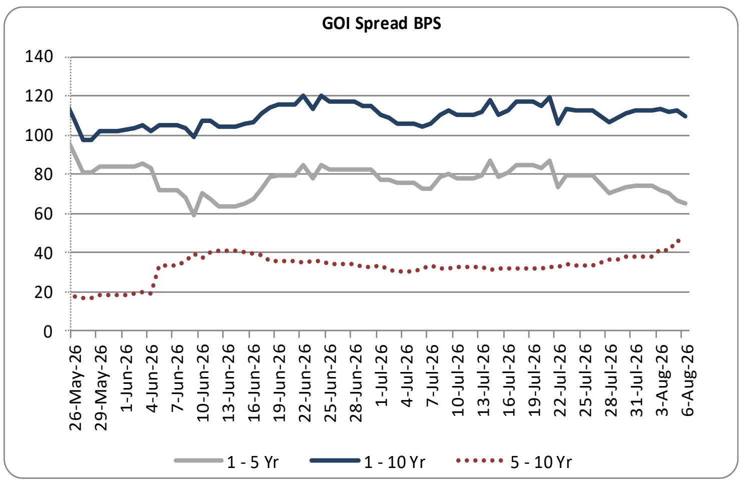
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
6-Aug-26	190	325	(134.81)	17459	17110	349.00	17648	17434	214.19

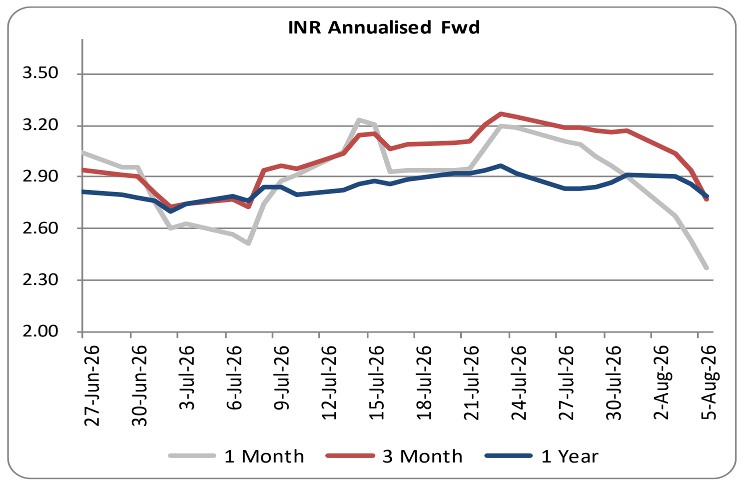
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jun-26	9.87	9.68
CPI (%)	Jun-26	4.38	3.94
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

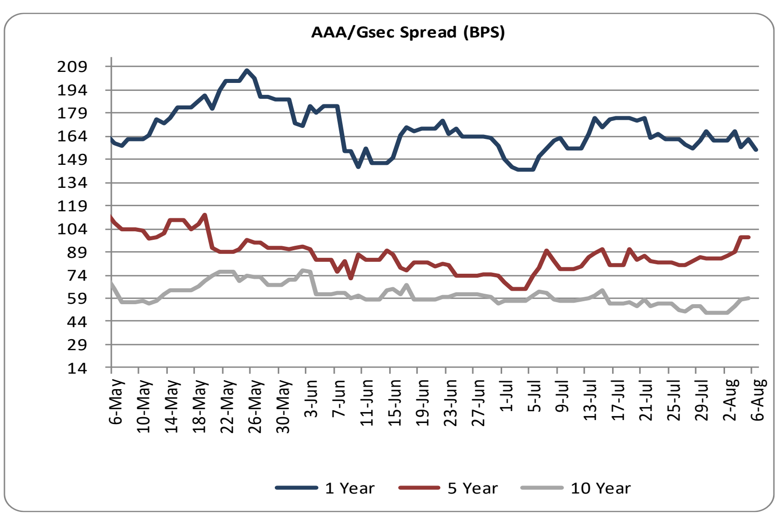
Economic Calender	Country	Date	Poll	Prior
Initial Jobless Claims	U.S.	06-Aug-26		
FX Reserves, USD	INDIA	07-Aug-26		
Average Hourly Earnings (MoM) (Jul)	U.S.	07-Aug-26		0.30
Nonfarm Payrolls (Jul)	U.S.	07-Aug-26		57K
Unemployment Rate (Jul)	U.S.	07-Aug-26		4.20
Unemployment Rate (Jul)	U.S.	07-Aug-26		4.20

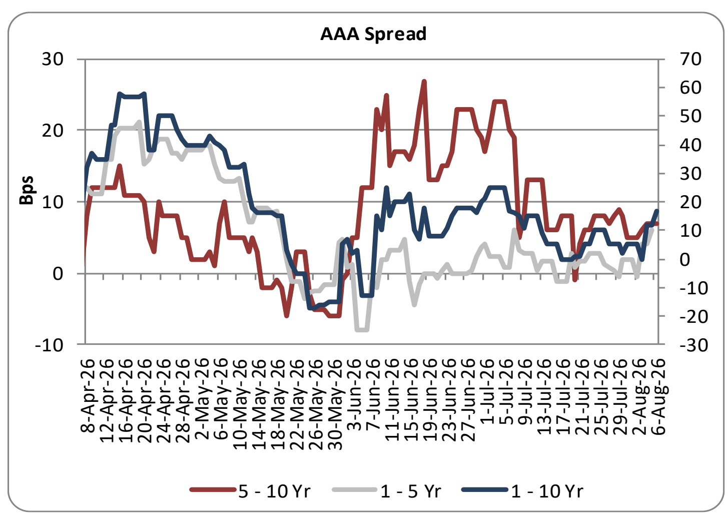

OIS Curve
6.50
6.00
5.50
5.00
4.50
4.00
5.73
5.78
5.76
5.88
5.95
5.94
5.98
6.07
6.05
6.13
6.26
6.25
1 Year
2 Year
3 Year
5 Year
6-Aug-26
5-Aug-26
6-Jul-26

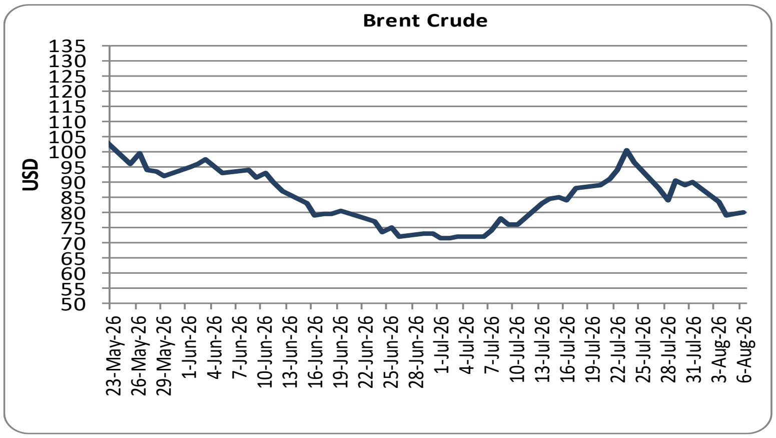

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
24-Mar-26
29-Mar-26
3-Apr-26
8-Apr-26
13-Apr-26
18-Apr-26
23-Apr-26
28-Apr-26
3-May-26
8-May-26
13-May-26
18-May-26
23-May-26
28-May-26
2-Jun-26
7-Jun-26
12-Jun-26
17-Jun-26
22-Jun-26
27-Jun-26
2-Jul-26
7-Jul-26
12-Jul-26
17-Jul-26
22-Jul-26
27-Jul-26
1-Aug-26
6-Aug-26

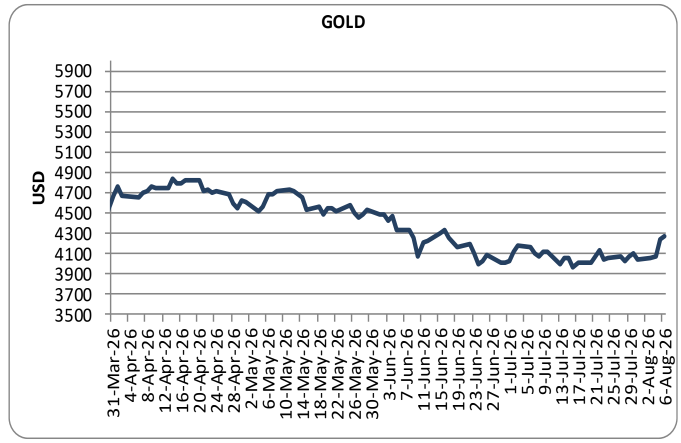

GOI Spread BPS
140
120
100
80
60
40
20
0
26-May-26
29-May-26
1-Jun-26
4-Jun-26
7-Jun-26
10-Jun-26
13-Jun-26
16-Jun-26
19-Jun-26
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
10-Jul-26
13-Jul-26
16-Jul-26
19-Jul-26
22-Jul-26
25-Jul-26
28-Jul-26
31-Jul-26
3-Aug-26
6-Aug-26
1 - 5 Yr
1 - 10 Yr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


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





LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

For any queries contact - LKP Securities Ltd. Ph: 022-62501149 Fax: (91-22) 2284 2415 E Mail: fixedincomeresearch@lkpsec.com

Visit our website - http://www.lkpsec.com/