BondWatch

INDIA

Daily

07-08-2026

The benchmark 6.94 2036 bond yield closed at 6.7651% on Friday from 6.7666% on Thursday.

The Indian 10Y benchmark G-sec yield ended more or less flattish on Friday, while for the week yield eased by 7bps led by RBI's more dovish than expected commentary, ease in oil prices keeping sentiments positive.

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. 1Y OIS ended at 5.77% while 5Y at 6.26%.

Oil fell for a second week as hopes of a U.S.-Iran diplomatic deal lifted supply outlook. Brent closed near $82, down 9% after last week's 7% slide.

Market Observations

G-sec

Trading was highly active in the shorter maturities, particularly across 2029–2033.

The 2031 SDL traded 1000 cr in the OTC market at 95 level.

ALMs at SBI, HSBC, SCB and iBank remained active buyers of shorter-segment government bonds today.

Post cut-off, the liquid 5-year segment witnessed a sharp sell-off.

Corp Bond

Over the week, yields for 1Y eased by close to 7-8bps while remained more or less flattish across 5Y and the 10Y segment, with benchmark indicative levels at 7.30% for the 1-year vs 7.40 last week, 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

With ample banking system liquidity since last week, overnight rates fell below Repo rate, while RBI conducted VRRR on Thursday drawing bids for 85% of notified amount. Governors statement on maintaining sufficient liquidity kept sentiments positive, CD rates eased across the curve over the week, major easing was at the shorter end with the 3M (Nov maturity) at 6.55% vs 6.80%, 6M (Feb maturity) at 6.75% vs 6.90%, and 1Y (Aug maturity) at 7.15% vs 7.20%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	7-Aug	6-Aug	31-Jul	7-Jul
1 Year	5.68	5.67	5.71	5.64
5 Year	6.35	6.32	6.45	6.36
10 Year	6.76	6.77	6.83	6.70

AAA Bmk	7-Aug	6-Aug	31-Jul	7-Jul
1 Year	7.30	7.30	7.40	7.28
5 Year	7.40	7.40	7.40	7.25
10 Year	7.47	7.47	7.45	7.44

CD	7-Aug	6-Aug	31-Jul	7-Jul
3 Month	6.55	6.55	6.80	6.50
6 Month	6.75	6.75	6.90	6.85
1 Year	7.15	7.15	7.20	7.10

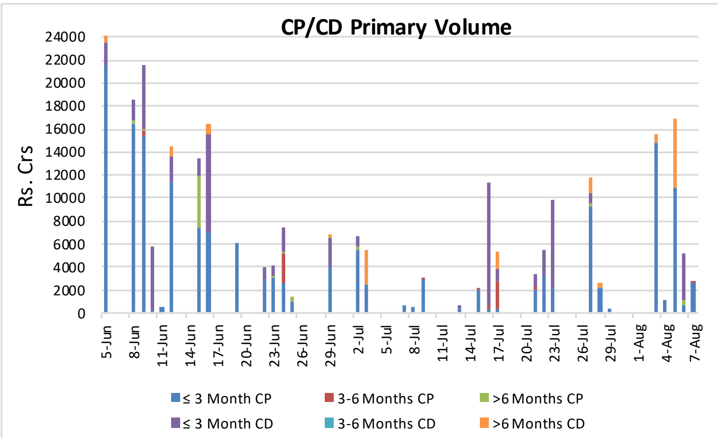
CP	7-Aug	6-Aug	31-Jul	7-Jul
3 Month	6.60	6.60	6.85	6.55
6 Month	6.80	6.80	6.95	6.90
1 Year	7.20	7.20	7.25	7.15

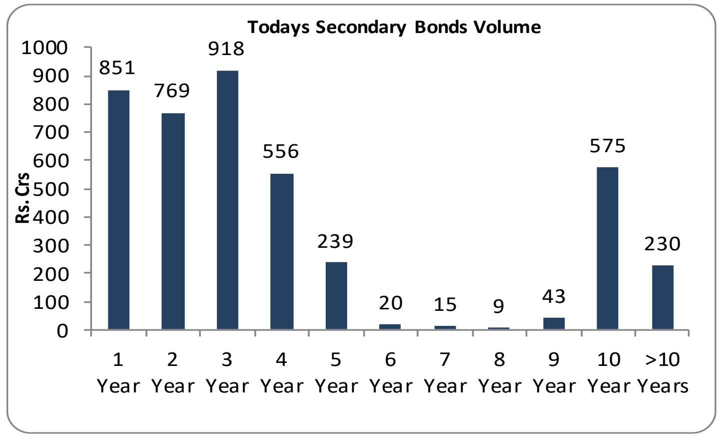
OIS Rate	7-Aug	6-Aug	31-Jul	7-Jul
1 Year	5.77	5.78	5.92	5.73
2 Year	5.94	5.95	6.12	5.87
3 Year	6.06	6.07	6.22	5.97
5 Year	6.26	6.26	6.41	6.12

	7-Aug	6-Aug	31-Jul	7-Jul
Sensex	78,499	78,955	78,095	78,181
Nifty	24,571	24,636	24,384	24,399
USD/INR	95.21	95.22	95.38	94.97
Gold (USD)	4,316	4,239	4,041	4,106
Oil (USD)	81.84	82.49	90.12	74.16

NDF	7-Aug	6-Aug	31-Jul	7-Jul
3 Month	95.90	96.06	96.25	95.92
1 Year	98.07	98.22	98.53	97.95
2 Year	100.72	100.96	101.39	100.37
3 Year	104.22	104.17	104.56	103.87

s





10 Year Benchmarks	7-Aug	6-Aug	31-Jul	7-Jul
India	6.77	6.77	6.84	6.70
US	4.67	4.67	4.75	4.53
South Korea	4.20	4.18	4.26	4.21
Brazil	14.59	14.59	14.77	14.45
Germany	3.14	3.13	3.20	2.99
China	1.70	1.71	1.71	1.73

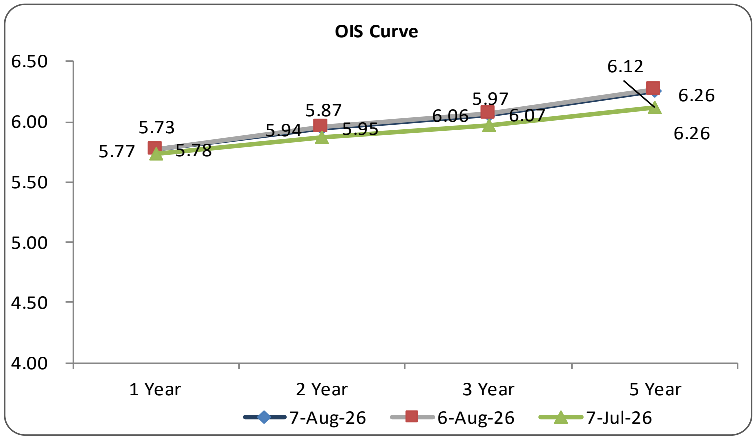
Top Traded Securities	Volume	7-Aug	6-Aug	31-Jul	7-Jul
6.75 2029	0	6.31	6.24	6.40	6.30
6.79 2034	35	6.73	6.73	6.80	6.70
6.33 2035	5	6.77	6.72	6.78	6.71
6.92 2039	0	6.93	6.94	6.94	6.95
7.09 2054	60	7.45	7.44	7.50	7.32
7.34 2064	120	7.54	7.59	7.59	7.45

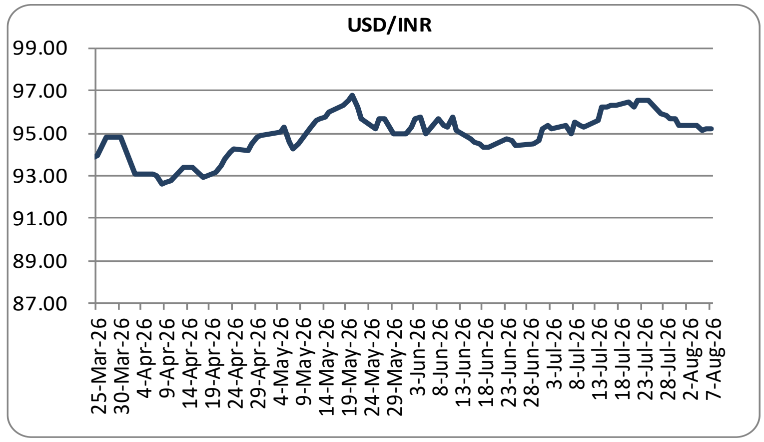
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
31-Jul-26	676	703	(26.36)	1,233	755	478.22	1,910	1,458	451.86

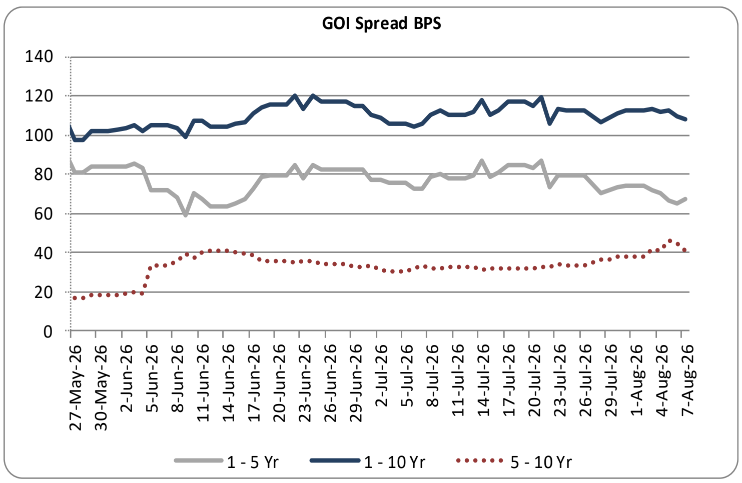
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
7-Aug-26	607	336	271.74	16630	16164	466.29	17237	16499	738.03

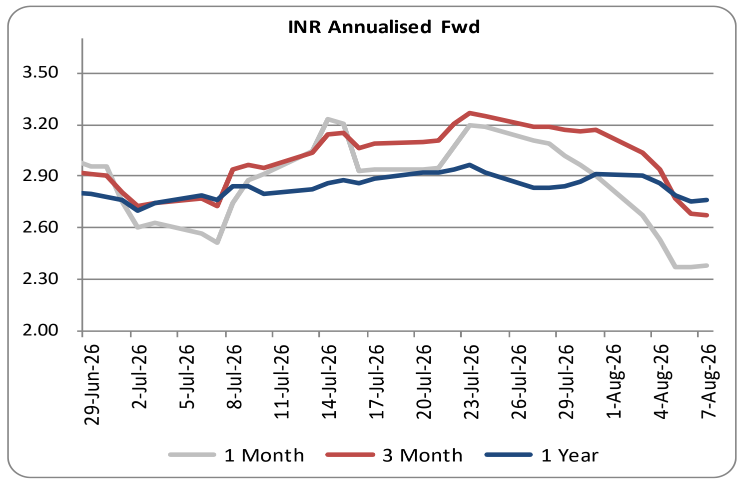
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jun-26	9.87	9.68
CPI (%)	Jun-26	4.38	3.94
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

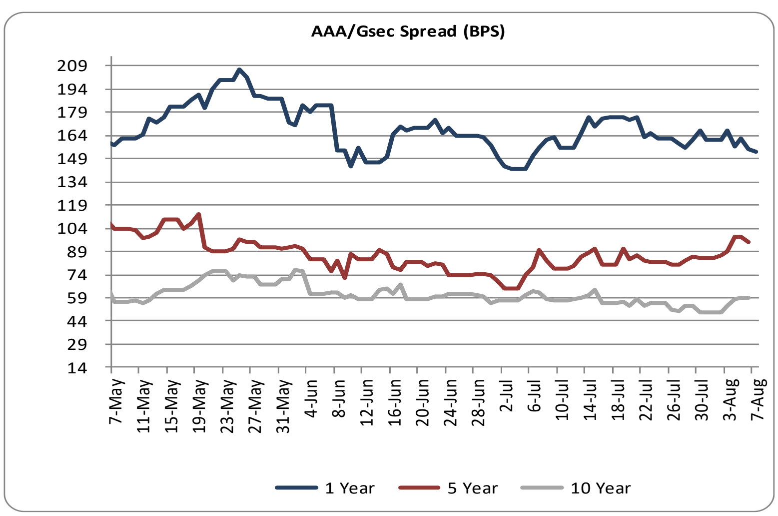
Economic Calender	Country	Date	Poll	Prior
Existing Home Sales (Jul)	US	11-Aug-26	4.06M	4.09M
CPI (YoY) (Jul)	IN	12-Aug-26		4.38
CPI (YoY) (Jul)	US	12-Aug-26	3.40	3.50
CPI (MoM) (Jul)	US	12-Aug-26	0.10	-0.40
Core CPI (MoM) (Jul)	US	12-Aug-26	0.20	0.00
Crude Oil Inventories	US	12-Aug-26		2.479M
GDP (YoY) (Q2) P	UK	13-Aug-26		0.90
GDP (MoM) (Jun)	UK	13-Aug-26	-0.10	0.10

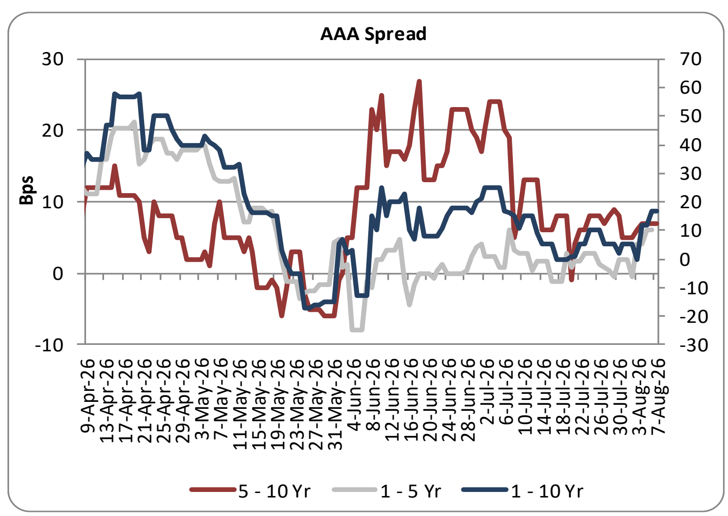

OIS Curve
6.50
6.00
5.50
5.00
4.50
4.00
5.73
5.77
5.78
5.87
5.94
5.95
5.97
6.06
6.07
6.12
6.26
6.26
1 Year
2 Year
3 Year
5 Year
7-Aug-26
6-Aug-26
7-Jul-26

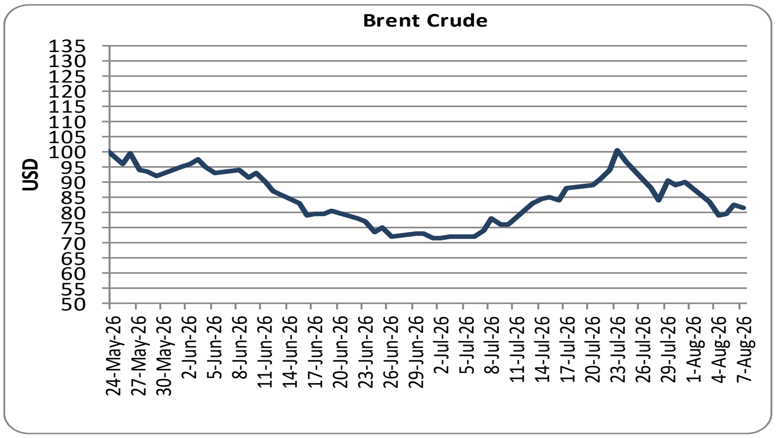

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
25-Mar-26
30-Mar-26
4-Apr-26
9-Apr-26
14-Apr-26
19-Apr-26
24-Apr-26
29-Apr-26
4-May-26
9-May-26
14-May-26
19-May-26
24-May-26
29-May-26
3-Jun-26
8-Jun-26
13-Jun-26
18-Jun-26
23-Jun-26
28-Jun-26
3-Jul-26
8-Jul-26
13-Jul-26
18-Jul-26
23-Jul-26
28-Jul-26
2-Aug-26
7-Aug-26

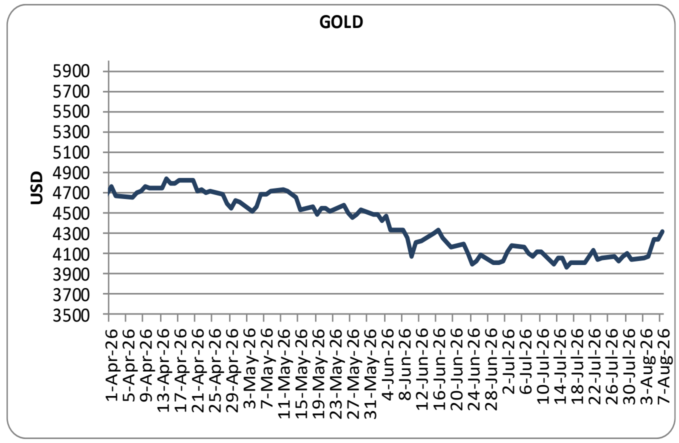

GOI Spread BPS
140
120
100
80
60
40
20
0
27-May-26
30-May-26
2-Jun-26
5-Jun-26
8-Jun-26
11-Jun-26
14-Jun-26
17-Jun-26
20-Jun-26
23-Jun-26
26-Jun-26
29-Jun-26
2-Jul-26
5-Jul-26
8-Jul-26
11-Jul-26
14-Jul-26
17-Jul-26
20-Jul-26
23-Jul-26
26-Jul-26
29-Jul-26
1-Aug-26
4-Aug-26
7-Aug-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
3.50
3.20
2.90
2.60
2.30
2.00
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
7-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
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
7-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
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
18-Jul-26
22-Jul-26
26-Jul-26
30-Jul-26
3-Aug-26
7-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/