BONDWATCH

INDIA

Daily

12-08-2026

The benchmark 6.94 2036 bond yield closed at 6.7776% on Wednesday vs 6.7791% on Tuesday.

The Indian benchmark G-sec yield remained more or less flattish on Wednesday as oil prices eased slightly before rising again, India July CPI came in line with market expectations , while market participants await U.S. CPI data due later in the day. OIS rates remained flattish with the 5Y OIS down 2bps at 6.27%.

Oil prices ticked higher in volatile trade, with Brent at $89.08 (+0.2%, sixth gain) and WTI at $83.40 (+0.2%, fifth gain), as ship attacks and stalled Iran talks fueled supply worries.

July retail inflation in India rose to 4.45%, slightly higher than June’s 4.38% and lower than the 4.50% projection from Reuters.

U.S. Treasuries pared gains on Tuesday with the 10-yr at 4.69%, as Iran deal hopes faded, while Investors brace for US CPI data. U.S. July inflation due later in the day may guide Fed’s September move, with markets split 50/50 on a hike and any surprise set to sway Treasuries and global bonds. JGB yields climbed on Wednesday on faster BOJ hike bets and inflation worries, with 10-yr at 2.85%. Euro zone bonds rose on Wednesday, Bund 10-yr at 3.16% (-2 bps) with trading muted as investors awaited U.S. CPI.

Market Observations

G-sec

T-Bill cut off came In-Line with market expectations, where cut-off for 3m came in at 5.2624%, 6m at 5.5390% and 1yr at 5.7094%. Post cut-off, size buying demand was visible in 3m maturity tbill (Nov 2026) at 5.26 centric levels, where Mutual Funds acted as buyers and Foreign Banks, PDs as sellers.

6-year maturity Illiquid Gsec (8.28 2032) witnessed size buying demand by Foreign Banks at 6.47 levels, where PSU Banks acted as sellers.

30-year maturity Gsec (7.30 2053) witnessed buying demand by Mutual Funds / PSU Banks at 7.40 centric levels, where Pension Funds acted as sellers.

Corp Bond

AAA rated PSU bond yields traded more or less flattish with slight upward bias across the curve, with benchmark indicative levels at 7.30% for the 1-year, 7.38% for the 5-year and 7.52% for the 10 year. 1M maturity segment witnessed major buying by Banks. Trading activity was concentrated in the short term MMY segment, followed by the medium-term segment.

CP/CD

CD rates rose by 2-3 bps across the curve, with the 3M (Nov maturity) at 6.42%, 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	12-Aug	11-Aug	5-Aug	10-Jul
1 Year	5.65	5.66	5.65	5.61
5 Year	6.37	6.37	6.31	6.39
10 Year	6.78	6.78	6.77	6.71

AAA Bmk	12-Aug	11-Aug	5-Aug	10-Jul
1 Year	7.30	7.30	7.35	7.25
5 Year	7.38	7.36	7.40	7.27
10 Year	7.52	7.52	7.47	7.40

CD	12-Aug	11-Aug	5-Aug	10-Jul
3 Month	6.42	6.38	6.60	6.60
6 Month	6.75	6.70	6.75	6.90
1 Year	7.15	7.10	7.15	7.10

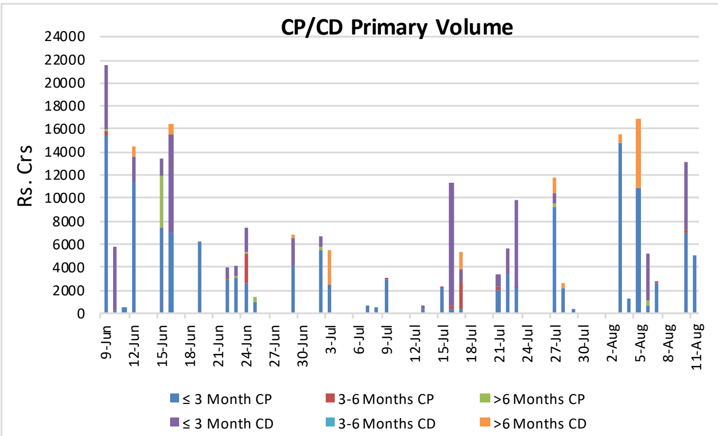
CP	12-Aug	11-Aug	5-Aug	10-Jul
3 Month	6.47	6.43	6.65	6.65
6 Month	6.80	6.75	6.80	6.95
1 Year	7.20	7.15	7.20	7.15

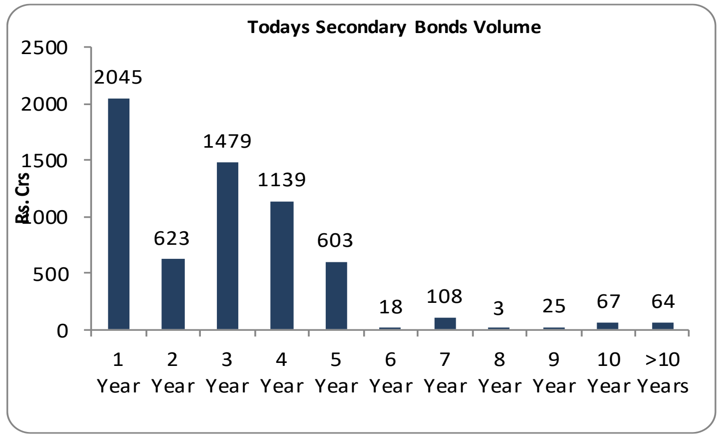
OIS Rate	12-Aug	11-Aug	5-Aug	10-Jul
1 Year	5.77	5.79	5.76	5.77
2 Year	5.96	5.99	5.94	5.92
3 Year	6.08	6.05	6.05	6.01
5 Year	6.27	6.29	6.25	6.17

	12-Aug	11-Aug	5-Aug	10-Jul
Sensex	77,966	78,154	78,581	77,569
Nifty	24,436	24,472	24,625	24,207
USD/INR	95.33	95.44	95.12	95.33
Gold (USD)	4,412	4,367	4,245	4,120
Oil (USD)	89.07	88.91	79.45	76.01

NDF	12-Aug	11-Aug	5-Aug	10-Jul
3 Month	96.04	96.07	95.74	96.19
1 Year	98.22	98.30	97.91	98.28
2 Year	100.99	101.01	100.67	100.88
3 Year	104.16	104.25	103.91	104.38

s





10 Year Benchmarks	12-Aug	11-Aug	5-Aug	10-Jul
India	6.78	6.78	6.77	6.71
US	4.67	4.68	4.62	4.57
South Korea	4.29	4.30	4.18	4.22
Brazil	14.66	14.66	14.45	14.34
Germany	3.14	3.16	3.10	3.03
China	1.70	1.71	1.71	1.73

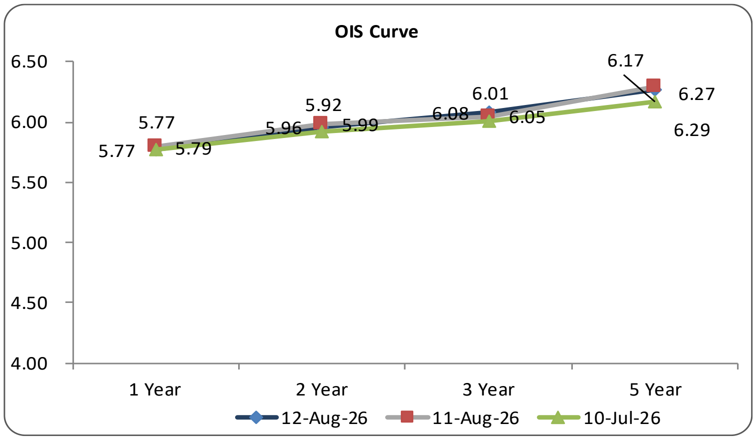
Top Traded Securities	Volume	12-Aug	11-Aug	5-Aug	10-Jul
6.75 2029	0	#N/A	6.33	6.31	6.30
6.79 2034	80	6.74	6.74	6.74	6.69
6.33 2035	0	6.74	6.74	6.72	6.69
6.92 2039	50	6.93	6.93	6.92	6.90
7.09 2054	75	7.41	7.40	7.46	7.34
7.34 2064	75	7.52	7.53	7.59	7.46

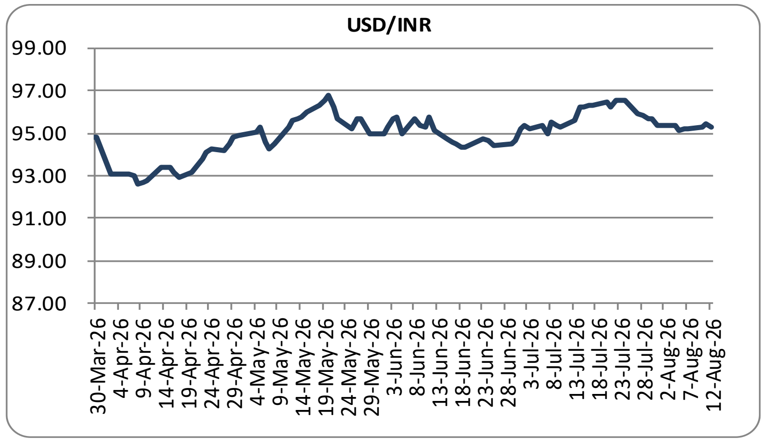
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
31-Jul-26	676	703	(26.36)	1,233	755	478.22	1,910	1,458	451.86

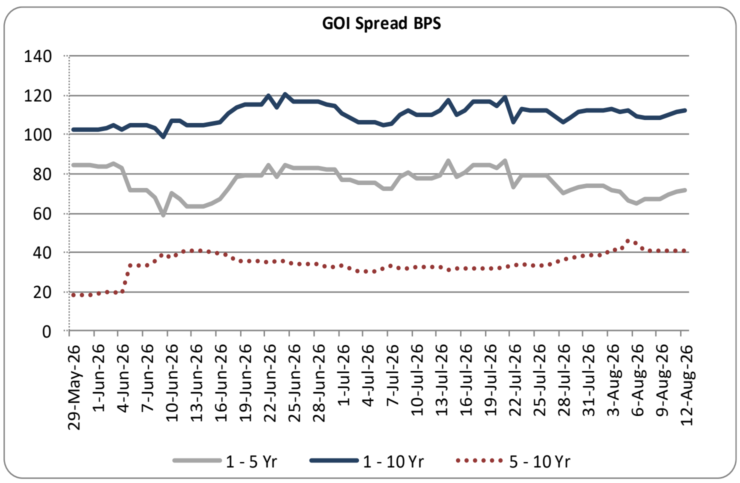
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
12-Aug-26	251	12	238.82	14949	15121	(172.83)	15200	15134	65.99

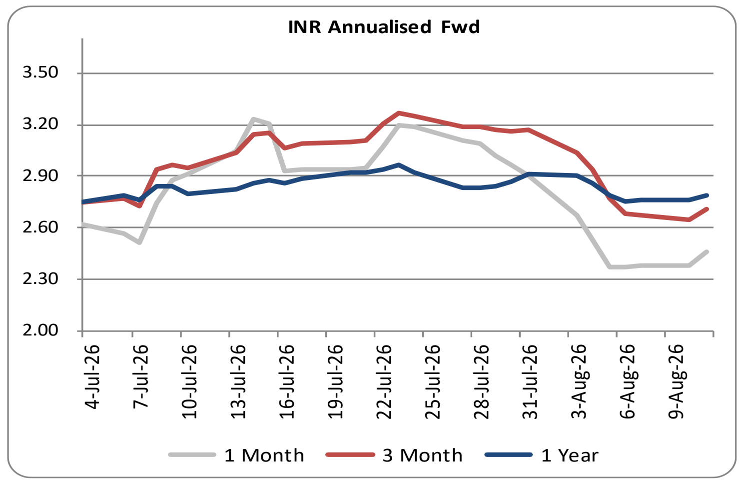
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jun-26	9.87	9.68
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

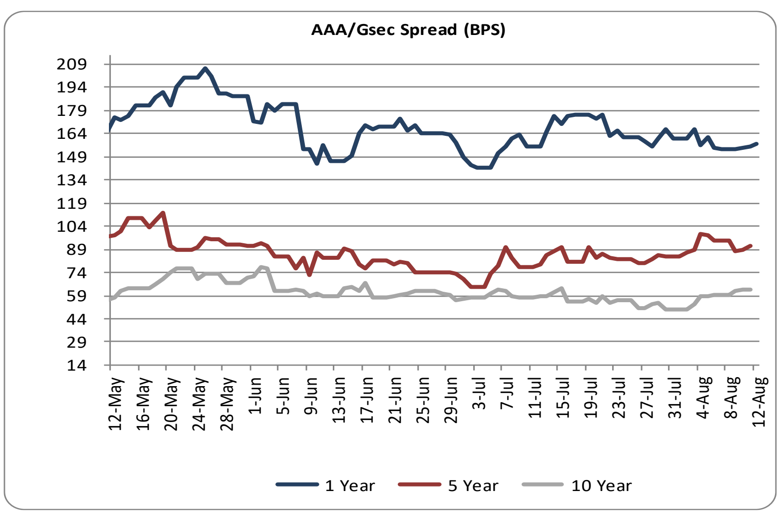
Economic Calender	Country	Date	Poll	Prior
CPI (YoY) (Jul)	US	12-Aug-26	3.40	3.50
CPI (MoM) (Jul)	US	12-Aug-26	0.10	-0.40
Core CPI (MoM) (Jul)	US	12-Aug-26	0.20	0.00
Crude Oil Inventories	US	12-Aug-26		2.479M
GDP (YoY) (Q2) P	UK	13-Aug-26		0.90
GDP (MoM) (Jun)	UK	13-Aug-26	-0.10	0.10
GDP (QoQ) (Q2) P	UK	13-Aug-26	0.40	0.60
PPI (MoM) (Jul)	US	13-Aug-26	0.20	-0.30

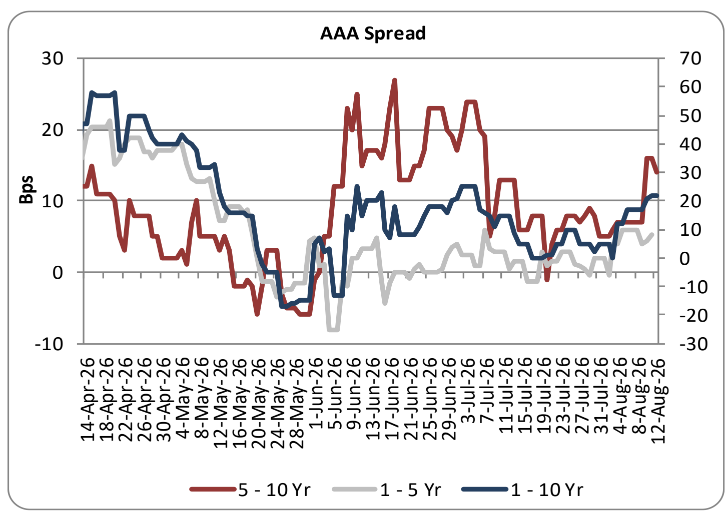

OIS Curve
6.50
6.00
5.50
5.00
4.50
4.00
5.77
5.77
5.79
5.92
5.96
5.99
6.01
6.08
6.05
6.17
6.27
6.29
1 Year
2 Year
3 Year
5 Year
12-Aug-26
11-Aug-26
10-Jul-26

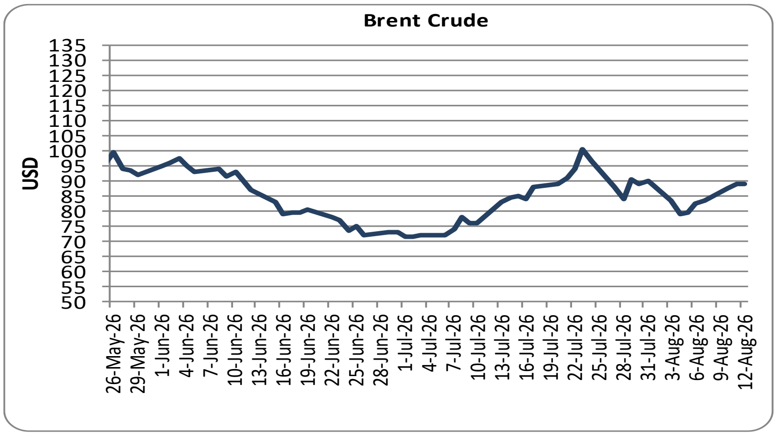

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
30-Mar-26
4-Apr-26
9-Apr-26
14-Apr-26
19-Apr-26
24-Apr-26
29-Apr-26
4-May-26
9-May-26
14-May-26
19-May-26
24-May-26
29-May-26
3-Jun-26
8-Jun-26
13-Jun-26
18-Jun-26
23-Jun-26
28-Jun-26
3-Jul-26
8-Jul-26
13-Jul-26
18-Jul-26
23-Jul-26
28-Jul-26
2-Aug-26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

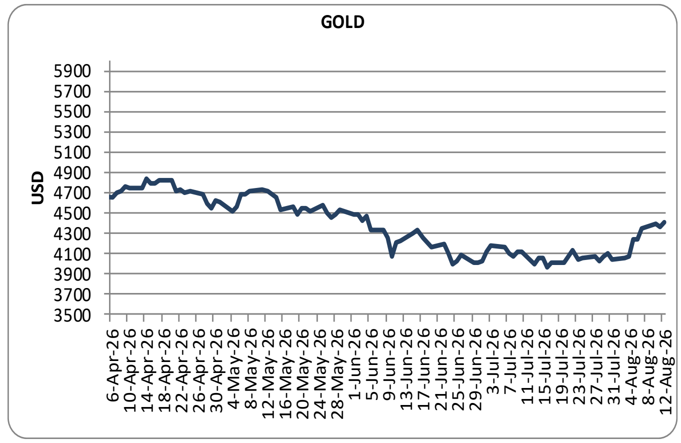

GOI Spread BPS
140
120
100
80
60
40
20
0
29-May-26
1-Jun-26
4-Jun-26
7-Jun-26
10-Jun-26
13-Jun-26
16-Jun-26
19-Jun-26
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
10-Jul-26
13-Jul-26
16-Jul-26
19-Jul-26
22-Jul-26
25-Jul-26
28-Jul-26
31-Jul-26
3-Aug-26
6-Aug-26
9-Aug-26
12-Aug-26
1 - 5 Yr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


INR Annualised Fwd
3.50
3.20
2.90
2.60
2.30
2.00
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
9-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
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
8-Aug
12-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
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
19-Jul-26
23-Jul-26
27-Jul-26
31-Jul-26
4-Aug-26
8-Aug-26
12-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/