BONDWATCH

INDIA

Daily

20-08-2026

The benchmark 6.94 2036 bond yield closed at 6.8709% vs 6.8170% in the previous session.

The Indian benchmark 10-year yield rose nearly 5bps after Wednesday's MPC minutes struck a hawkish tone, boosting rate-hike expectations. OIS rates rose sharply on rising rate hike bets, 1Y OIS rose 12.75 bps to 5.9350%, while 5Y OIS rose 6.75 bps to 6.4750%. The Indian rupee held in a thin range on Thursday as RBI interventions anchored it against mixed global cues, closing at INR 95.7050 per dollar

Deputy Governor Poonam Gupta said there was little room left for additional monetary easing, while adding, depending on how conditions evolve, the case for a rate increase could emerge later in the fiscal year.

Bond yields rose across the curve, led by the belly (3Y and 7Y, up 8bps each), followed by 5Y (+7bps) and 10Y (+5bps), while the short and long ends lagged (1Y and 50Y up just 2bps), reflecting a belly led flattening move.

Brent crude jumped 2.7% to $94.06 and WTI rose 2.9% to $86.80 a barrel, hitting three-week highs as ongoing Iran war tensions and UAE's suspension of financial ties with Iran fueled fears of Middle East supply disruptions.

Globally, U.S. debt has crossed $40 trillion, more than double since 2017, U.S. Treasury's surprise $4bn long-bond buybacks briefly eased yields, but 30-yr rebounded to 5.23% near 19-yr highs, 10-yr at 4.67%, dollar slid ~1% as fiscal deficits and inflation fears kept global long-end borrowing costs elevated. Euro zone yields held flat (Germany 10-yr 3.26%, 30-yr 3.76%) as U.S. Treasury buybacks steadied markets. JGBs rallied Thursday after the U.S. Treasury doubled its long-end buyback support, Japan's 10-year yield fell 5.5bps to 2.835%.

Market Observations

G-sec

Size buying demand was visible in 5 year & 6-year maturity SDLs (2031 / 2032) at 7.15 and 7.20 centric levels. Here Private Banks acted as buyers and Pension Funds / Mutual Funds as sellers.

3-year maturity Liquid Gsec (6.20 2029) was sought after by Pension Funds at 6.29 levels, where Foreign Banks acted as sellers.

Corp Bond

AAA rated PSU bond Yields rose 7-8bps across the curve, weighed by negative sentiment from the early closure of FCNR deposit scheme and rising rate hike bets following hawkish MPC minutes with benchmark indicative levels at 7.42% for the 1-year, 7.56% for the 5-year and 7.65% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

CD rates rose 7-8bps across the curve, weighed by negative sentiment from the early closure of FCNR deposit scheme and rising rate hike bets following hawkish MPC minutes, with the 3M (Nov maturity) at 6.50%, 6M (Feb maturity) at 6.85% and 1Y (Aug maturity) at 7.25%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	20-Aug	19-Aug	13-Aug	21-Jul
1 Year	5.74	5.70	5.69	5.60
5 Year	6.52	6.45	6.35	6.47
10 Year	6.87	6.82	6.76	6.79

AAA Bmk	20-Aug	19-Aug	13-Aug	21-Jul
1 Year	7.42	7.35	7.30	7.44
5 Year	7.56	7.45	7.34	7.41
10 Year	7.65	7.56	7.50	7.45

CD	20-Aug	19-Aug	13-Aug	21-Jul
3 Month	6.50	6.40	6.40	6.85
6 Month	6.85	6.73	6.70	6.95
1 Year	7.25	7.15	7.10	7.15

CP	20-Aug	19-Aug	13-Aug	21-Jul
3 Month	6.55	6.45	6.45	6.90
6 Month	6.90	6.78	6.75	7.00
1 Year	7.30	7.20	7.15	7.20

OIS Rate	20-Aug	19-Aug	13-Aug	21-Jul
1 Year	5.94	5.81	5.75	5.97
2 Year	6.17	6.05	5.93	6.14
3 Year	6.27	6.18	6.06	6.26
5 Year	6.48	6.40	6.25	6.44

	20-Aug	19-Aug	13-Aug	21-Jul
Sensex	77,538	76,910	78,080	77,470
Nifty	24,232	24,078	24,396	24,188
USD/INR	95.71	95.75	95.44	96.24
Gold (USD)	4,490	4,521	4,350	4,076
Oil (USD)	93.86	91.62	87.07	91.01

NDF	20-Aug	19-Aug	13-Aug	21-Jul
3 Month	96.42	96.28	96.11	97.11
1 Year	98.72	98.55	98.27	99.36
2 Year	101.77	101.46	100.97	102.35
3 Year	104.79	104.57	104.47	105.72

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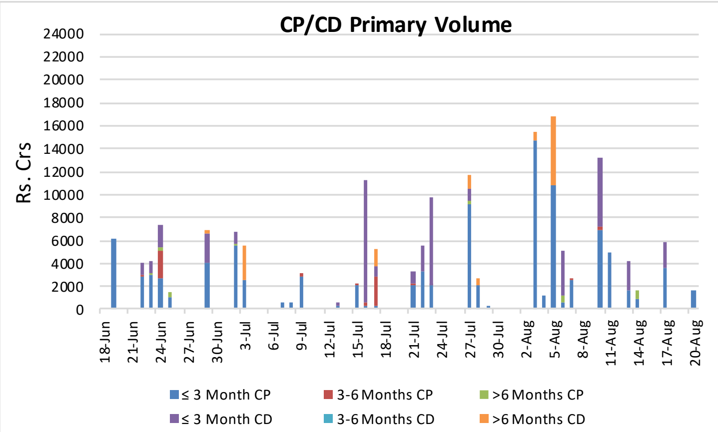
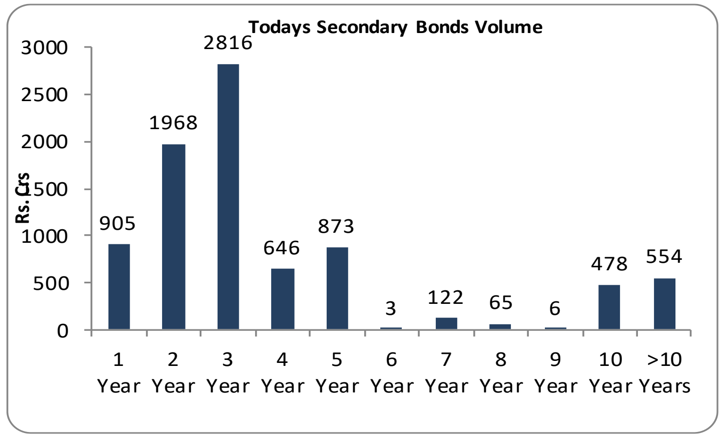




10 Year Benchmarks	20-Aug	19-Aug	13-Aug	21-Jul
India	6.86	6.82	6.76	6.79
US	4.67	4.65	4.64	4.63
South Korea	4.33	4.41	4.29	4.33
Brazil	14.79	14.79	14.72	14.77
Germany	3.25	3.26	3.14	3.17
China	1.69	1.70	1.69	1.74

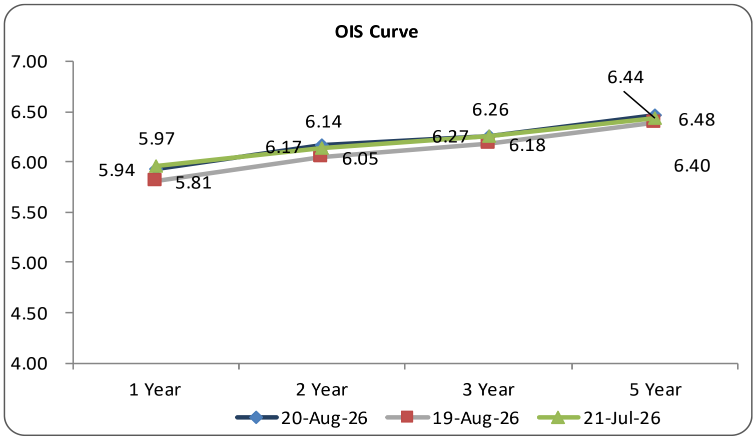
Top Traded Securities	Volume	20-Aug	19-Aug	13-Aug	21-Jul
6.75 2029	0	6.41	6.40	6.26	6.33
6.79 2034	0	6.80	6.76	6.71	6.77
6.33 2035	95	6.79	6.76	6.70	6.74
6.92 2039	0	#N/A	#N/A	6.91	6.99
7.09 2054	0	7.42	7.42	7.37	7.46
7.34 2064	130	7.57	7.51	7.47	7.56

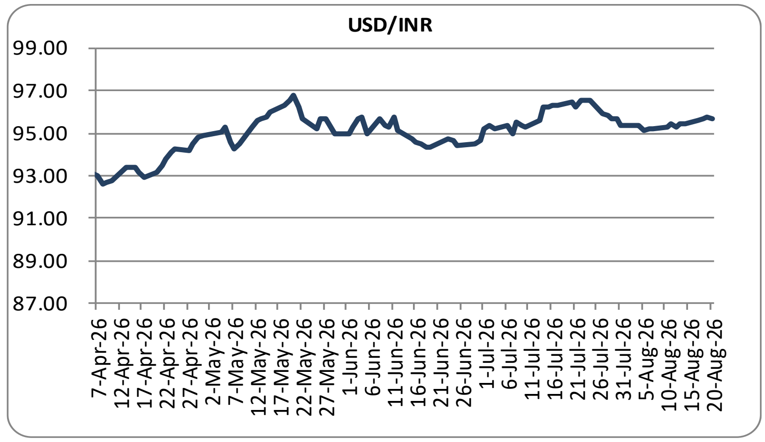
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Aug-26	21,341	15,388	5,953.68	13,498	8,926	4,571.83	34,840	24,314	10,525.51

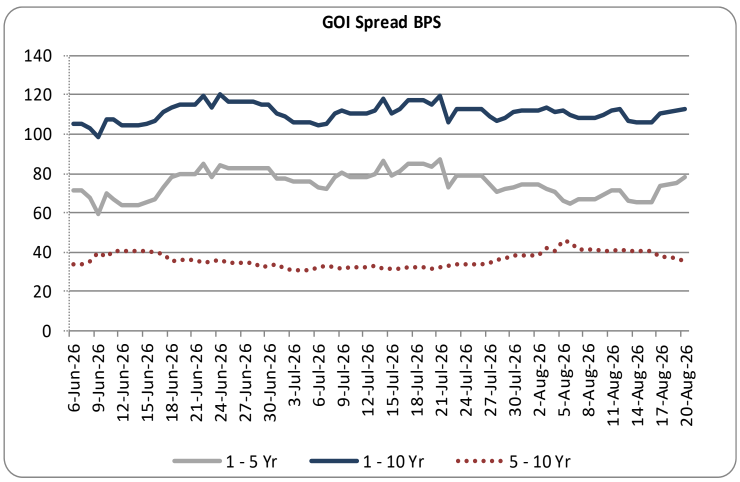
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
20-Aug-26	284	149	134.58	13414	12918	495.44	13697	13067	630.02

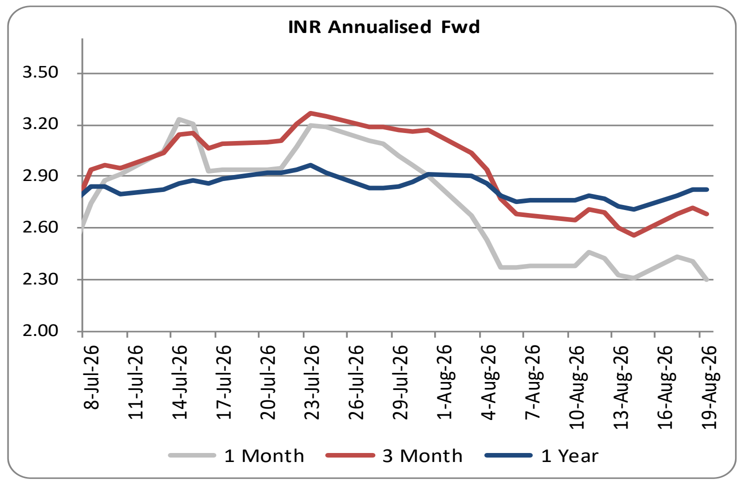
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Jun-26	(3.10)	7.10
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jul-26	9.78	9.87
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

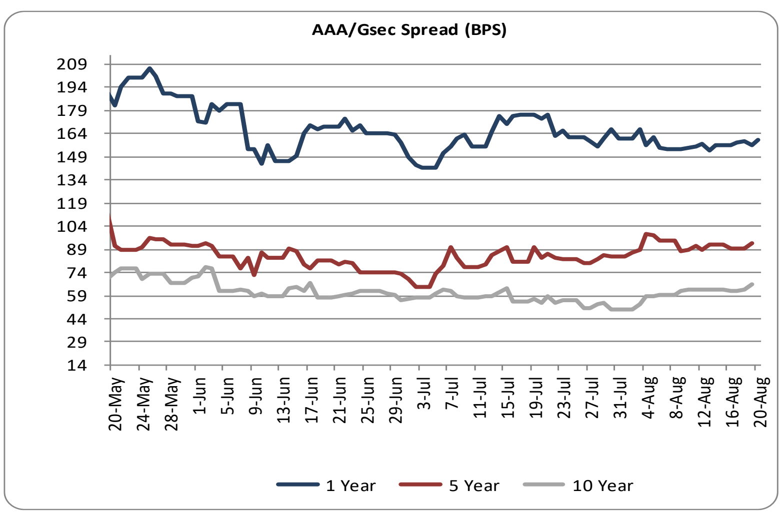
Economic Calender	Country	Date	Poll	Prior
Philadelphia Fed Manufacturing Index (Aug)	USD	20-Aug-26		41.40
Initial Jobless Claims	USD	20-Aug-26		209K
S&P Global Services PMI (Aug) P	INR	21-Aug-26		53.3
S&P Global Manufacturing PMI (Aug) P	INR	21-Aug-26		53.5
S&P Global Manufacturing PMI (Aug) P	USD	21-Aug-26		53.9
S&P Global Services PMI (Aug) P	USD	21-Aug-26		54.6

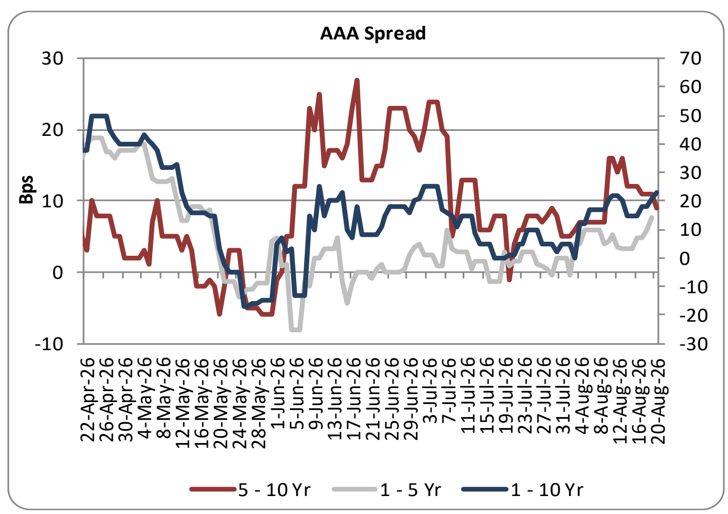

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
5.97
5.94
5.81
6.14
6.17
6.05
6.26
6.27
6.18
6.44
6.48
6.40
1 Year
2 Year
3 Year
5 Year
20-Aug-26
19-Aug-26
21-Jul-26

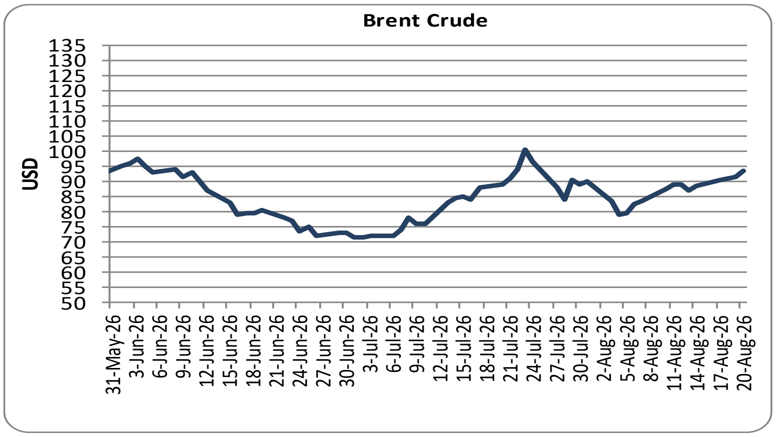

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
7-Apr-26
12-Apr-26
17-Apr-26
22-Apr-26
27-Apr-26
2-May-26
7-May-26
12-May-26
17-May-26
22-May-26
27-May-26
1-Jun-26
6-Jun-26
11-Jun-26
16-Jun-26
21-Jun-26
26-Jun-26
1-Jul-26
6-Jul-26
11-Jul-26
16-Jul-26
21-Jul-26
26-Jul-26
31-Jul-26
5-Aug-26
10-Aug-26
15-Aug-26
20-Aug-26

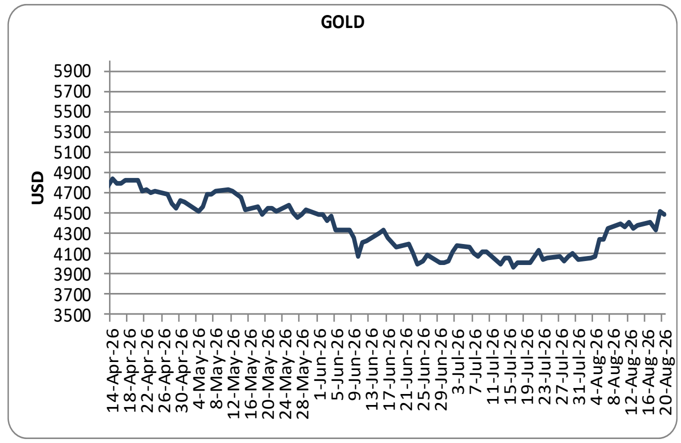

GOI Spread BPS
140
120
100
80
60
40
20
0
6-Jun-26
9-Jun-26
12-Jun-26
15-Jun-26
18-Jun-26
21-Jun-26
24-Jun-26
27-Jun-26
30-Jun-26
3-Jul-26
6-Jul-26
9-Jul-26
12-Jul-26
15-Jul-26
18-Jul-26
21-Jul-26
24-Jul-26
27-Jul-26
30-Jul-26
2-Aug-26
5-Aug-26
8-Aug-26
11-Aug-26
14-Aug-26
17-Aug-26
20-Aug-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
3.50
3.20
2.90
2.60
2.30
2.00
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
10-Aug-26
13-Aug-26
16-Aug-26
19-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
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
16-Aug
20-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
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
16-Aug-26
20-Aug-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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