BONDWATCH

INDIA

Daily

31-08-2026

The benchmark 6.94 2036 bond yield closed at 6.9452% vs 6.9108% in the previous session.

INDIA 10-YR BENCHMARK GOVT BOND YIELD ROSE 11 BPS IN AUGUST, BIGGEST MOVE SINCE MARCH

The Indian benchmark bond yield spiked on Monday while rose by 11bps for the month as oil prices rose, signals of Fed rate hike coupled with RBI hawkish MPC minutes reinforced bets of RBI rate hike, OIS rates rose in line with oil prices, bond yields as rate hike bets increased with the 1Y OIS ended at 6% while 5Y OIS rate rose 7bps this month at 6.4825%.

Oil surged more than 3% on Monday after the U.S. struck an Iranian island in the Strait of Hormuz and Iran said it hit back. Brent rose to $90.97 a barrel, WTI to $86.31

The U.S. central bank will "have work to do" if policymakers don't get the confidence they need that inflation is heading down to 2%, Federal Reserve Chairman Kevin Warsh said on Friday, prompting investors to lift the odds of a hike at the September 15-16 policy meeting.

Meanwhile, India's GDP grew 7.8% in Q1 FY27 (April-June), beating the Reuters poll estimate of 7.1% and the RBI's own projection of 7%, Growth was driven by strong investment and manufacturing. While, India's fiscal deficit stood at 26.8% of the full-year target in the April-July period of FY27.

Market Observations

G-sec

6-year maturity SDLs (2032) witnessed size buying demand by Private Banks at 7.35 centric levels, where Mutual Funds acted as sellers

4 to 6-year maturity semi liquid papers were sought after by Foreign Banks, where Pension Funds / PSU Banks acted as sellers.

Corp Bond

AAA rated PSU bond yields rose by 3-4 bps across the curve, with benchmark indicative levels at 7.65% for the 1-year, 7.75% for the 5-year and 7.74% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

CD rates remained more or less flattish with the 3M (Nov maturity) at 6.38%, 6M (Feb maturity) at 6.75% and 1Y (Aug maturity) at 7.30%. Trading was concentrated in JFM and 2–3M segments. Major buying was led by corporates and banks while MFs remained major sellers.

GOI Yield	31-Aug	28-Aug	24-Aug	30-Jul
1 Year	5.80	5.80	5.74	5.70
5 Year	6.58	6.53	6.50	6.43
10 Year	6.95	6.91	6.87	6.81

AAA Bmk	31-Aug	28-Aug	24-Aug	30-Jul
1 Year	7.65	7.61	7.48	7.45
5 Year	7.75	7.71	7.62	7.39
10 Year	7.74	7.68	7.65	7.47

CD	31-Aug	28-Aug	24-Aug	30-Jul
3 Month	6.38	6.40	6.48	6.85
6 Month	6.75	6.75	6.90	6.95
1 Year	7.30	7.25	7.30	7.20

CP	31-Aug	28-Aug	24-Aug	30-Jul
3 Month	6.43	6.45	6.53	6.90
6 Month	6.80	6.80	6.95	7.00
1 Year	7.35	7.30	7.35	7.25

OIS Rate	31-Aug	28-Aug	24-Aug	30-Jul
1 Year	6.00	5.95	5.92	5.92
2 Year	6.19	6.13	6.14	6.12
3 Year	6.31	6.26	6.26	6.23
5 Year	6.48	6.44	6.45	6.42

	31-Aug	28-Aug	24-Aug	30-Jul
Sensex	76,957	77,265	77,369	77,928
Nifty	24,080	24,176	24,219	24,317
USD/INR	95.16	95.38	95.75	95.68
Gold (USD)	4,456	4,453	4,651	4,102
Oil (USD)	91.18	89.31	92.17	89.03

NDF	31-Aug	28-Aug	24-Aug	30-Jul
3 Month	95.86	96.26	96.53	96.41
1 Year	98.11	98.50	98.82	98.69
2 Year	100.93	101.47	101.68	101.48
3 Year	103.94	104.50	105.18	104.66

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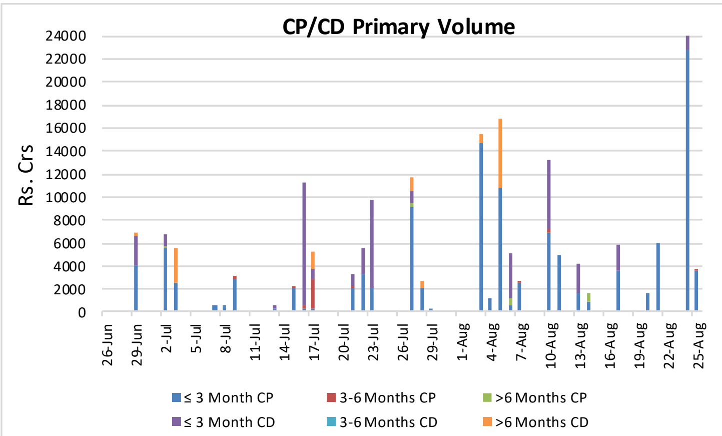
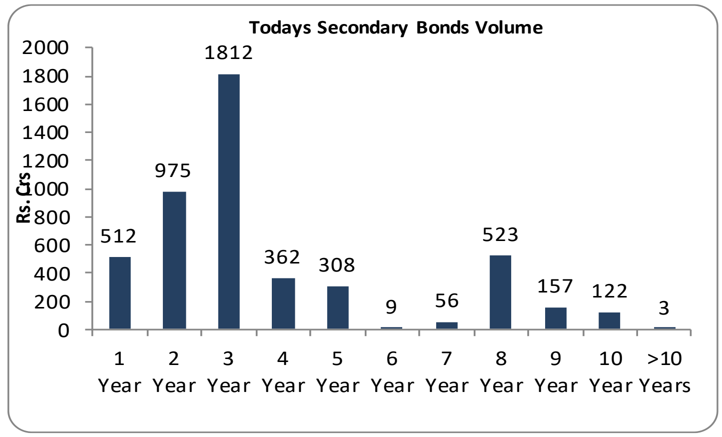




10 Year Benchmarks	31-Aug	28-Aug	24-Aug	30-Jul
India	6.95	6.91	6.87	6.81
US	4.72	4.72	4.70	4.66
South Korea	4.31	4.27	4.34	4.32
Brazil	14.70	14.70	14.63	14.80
Germany	3.31	3.27	3.25	3.17
China	1.69	1.70	1.69	1.78

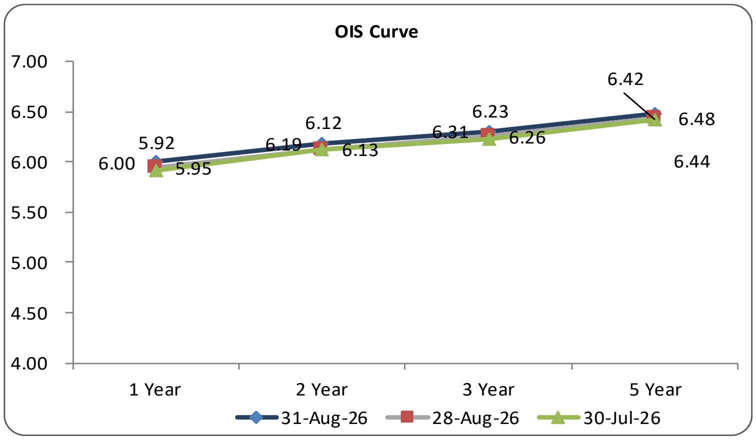
Top Traded Securities	Volume	31-Aug	28-Aug	24-Aug	30-Jul
6.75 2029	10	6.44	6.35	6.35	6.23
6.79 2034	115	6.91	6.88	6.82	6.77
6.33 2035	45	6.90	6.87	6.77	6.75
6.92 2039	0	7.04	6.96	6.94	6.97
7.09 2054	20	7.60	7.51	7.50	7.54
7.34 2064	315	7.65	7.67	7.57	7.59

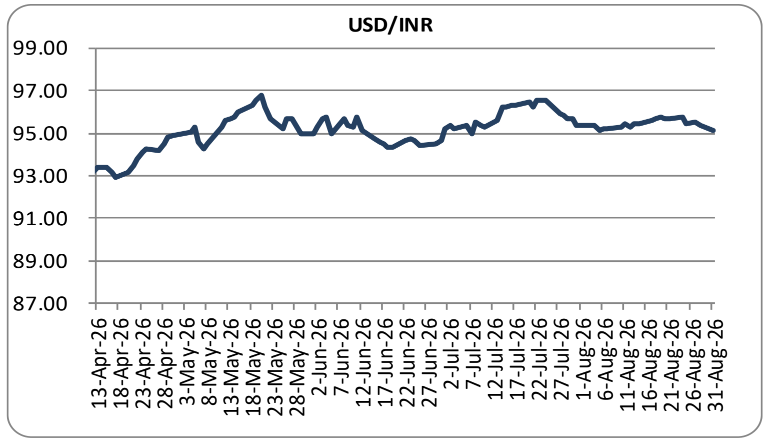
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Aug-26	21,341	15,388	5,953.68	13,498	8,926	4,571.83	34,840	24,314	10,525.51

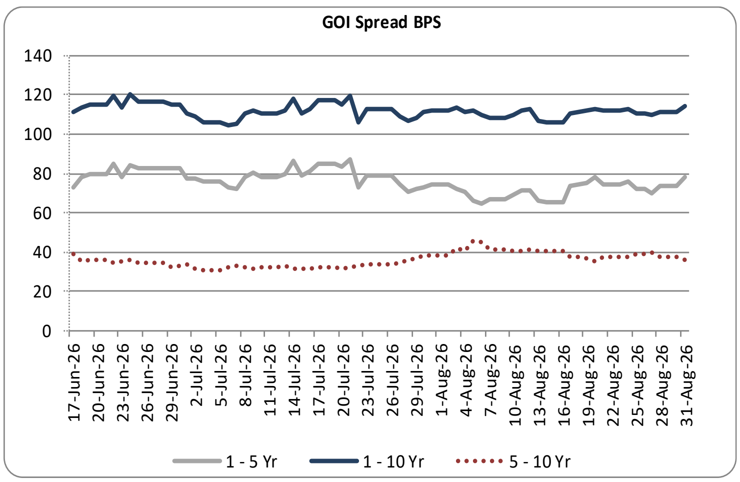
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
31-Aug-26	269	175	94.07	14365	15653	(1,288.20)	14634	15828	(1,194.13)

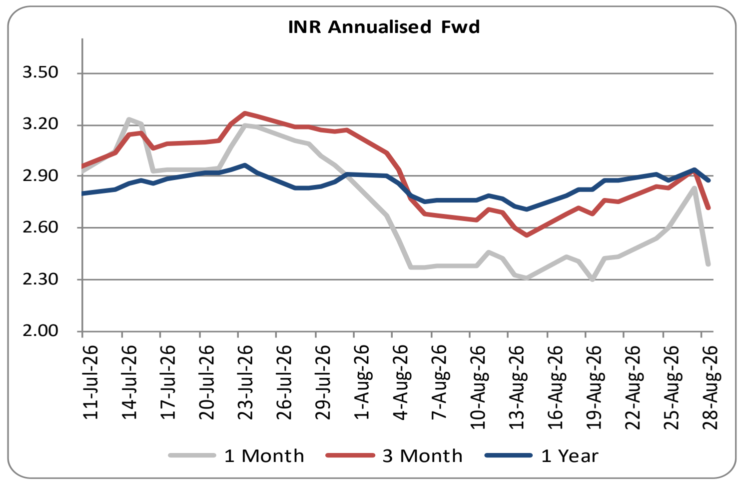
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	7.80
CAD ($ Bn)	Jun-26	(3.10)	7.10
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jul-26	9.78	9.87
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jul-26	6.70	8.80
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

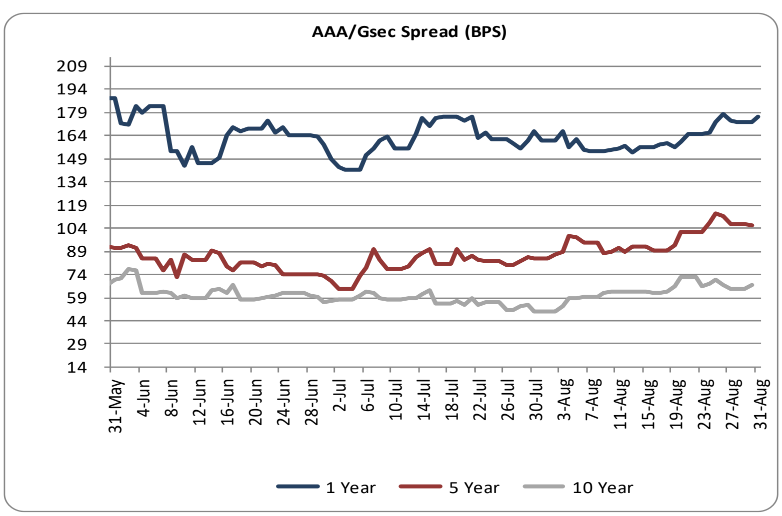
Economic Calender	Country	Date	Poll	Prior
S&P Global Manufacturing PMI (Aug)	IN	01-Sep-26	52.9	52.9
CPI (YoY) (Aug) P	EU	01-Sep-26	3.3%	2.9%
S&P Global Manufacturing PMI (Aug)	US	01-Sep-26	53.2	53.2
ISM Manufacturing PMI (Aug)	US	01-Sep-26	55.2	55.6
JOLTS Job Openings (Jul)	US	01-Sep-26	7.330M	7.359M
ADP Nonfarm Employment Change (Aug)	US	02-Sep-26	47K	44K
Crude Oil Inventories	US	02-Sep-26		0.095M
S&P Global Services PMI (Aug)	IN	03-Sep-26	54.5	54.5

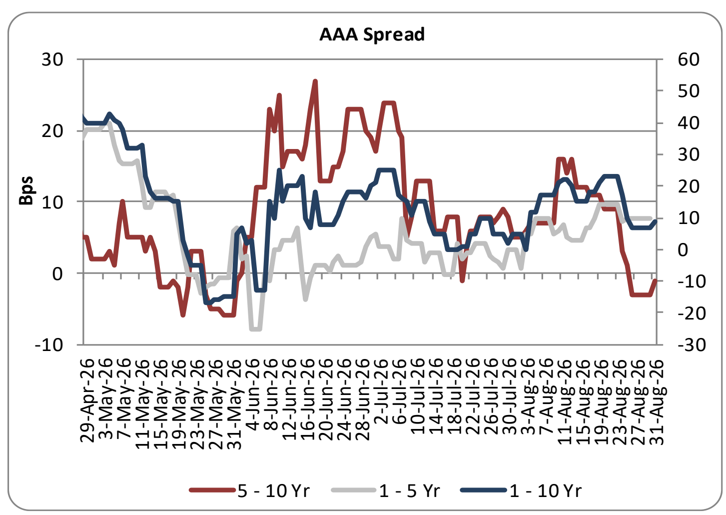

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
1 Year
2 Year
3 Year
5 Year
5.92
6.00
5.95
6.19
6.12
6.13
6.31
6.23
6.26
6.42
6.48
6.44
31-Aug-26
28-Aug-26
30-Jul-26

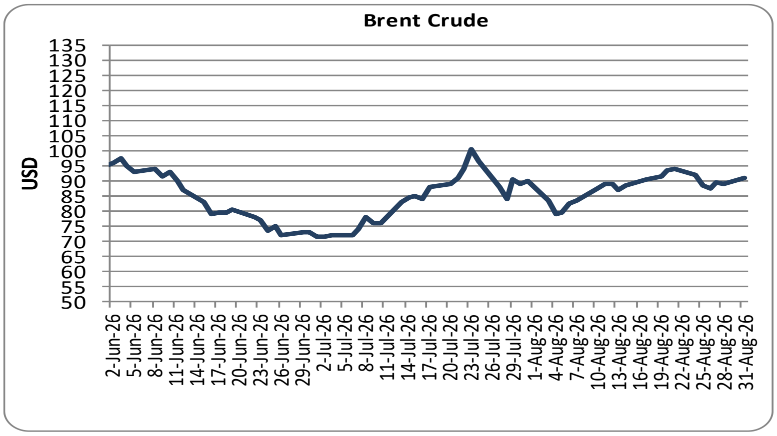

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
13-Apr-26
18-Apr-26
23-Apr-26
28-Apr-26
3-May-26
8-May-26
13-May-26
18-May-26
23-May-26
28-May-26
2-Jun-26
7-Jun-26
12-Jun-26
17-Jun-26
22-Jun-26
27-Jun-26
2-Jul-26
7-Jul-26
12-Jul-26
17-Jul-26
22-Jul-26
27-Jul-26
1-Aug-26
6-Aug-26
11-Aug-26
16-Aug-26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

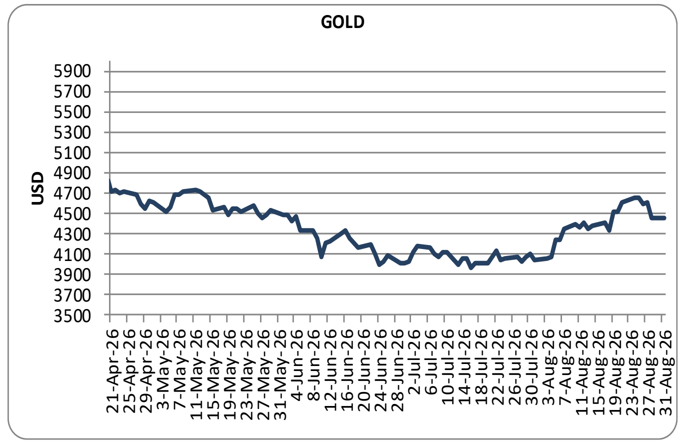

GOI Spread BPS
140
120
100
80
60
40
20
0
17-Jun-26
20-Jun-26
23-Jun-26
26-Jun-26
29-Jun-26
2-Jul-26
5-Jul-26
8-Jul-26
11-Jul-26
14-Jul-26
17-Jul-26
20-Jul-26
23-Jul-26
26-Jul-26
29-Jul-26
1-Aug-26
4-Aug-26
7-Aug-26
10-Aug-26
13-Aug-26
16-Aug-26
19-Aug-26
22-Aug-26
25-Aug-26
28-Aug-26
31-Aug-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
3.50
3.20
2.90
2.60
2.30
2.00
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
22-Aug-26
25-Aug-26
28-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
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
11-Aug
15-Aug
19-Aug
23-Aug
27-Aug
31-Aug
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
60
50
40
30
20
10
0
-10
-20
-30
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
11-Aug-26
15-Aug-26
19-Aug-26
23-Aug-26
27-Aug-26
31-Aug-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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