BONDWATCH

Daily

INDIA

05-10-2026

The benchmark 6.94 2036 bond yield closed at 7.2108% vs 7.2133% in the previous session.

India's benchmark 10-year yield remained more or less flattish ahead of the RBI decision, with softer US yields offsetting concerns over heavy state borrowing. OIS rates remained more or less flattish.

Markets are pricing in the RBI's first-rate hike since 2023 on Wednesday, amid surging global yields, Brent above $100 and tightening by the Fed, BoJ and other central banks since the Iran war began. India's 1Y OIS rate rose to 6.27% pricing in nearly 100 bps of RBI tightening over the next year.

Soft US jobs data has raised bets of a Fed pause this month, with Wednesday's FOMC minutes expected to offer more clues on the rate path.

States plan to borrow ₹3.61 lakh crore in Oct–Dec, above estimates of ₹3.25–3.50 lakh crore, with issuance skewed toward 11–20Y tenors.

Globally, Japan PM Takaichi pledged to control bond issuance and respond swiftly to market turbulence, seeking to reassure investors after the 30Y yield hit a record 4.235%. Euro zone yields diverged as investors favored safe havens, with Germany's 10Y falling 2 bps to 3.43% while France's 10Y rose 2 bps to 4.88% on fiscal and political worries. US yields rose after initially falling on weak Sept NFP (29K vs 90K exp.), with the 10Y up 3 bps at 5.262%.

Market Observations

G-sec

9-year maturity Illiquid Gsec (6.67 2035 / 7.40 2035) witnessed buying interest by Foreign Banks at 7.20 levels, where Insurance Companies and Pension Funds acted as sellers.

40-year maturity Gsec (6.90 2065) witnessed buying interest by Foreign Banks, Primary Dealers at 7.75 centric levels, where Mutual Funds acted as sellers.

Corp Bond

AAA rated PSU bond yield remained more or less flattish across the curve with the benchmark indicative levels at 7.70% for the 1-year, 7.95% for the 5-year and 7.95% 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 across the curve, with the 3M (Jan maturity) at 6.50%, 6M (Apr maturity) at 7.1% and 1Y (Oct maturity) at 7.35% Trading was concentrated in JFM and 2–3M segment.

GOI Yield	5-Oct	1-Oct	29-Sep	4-Sep
1 Year	6.15	6.10	6.10	5.87
5 Year	6.94	6.94	6.85	6.51
10 Year	7.21	7.21	7.16	6.96

AAA Bmk	5-Oct	1-Oct	29-Sep	4-Sep
1 Year	7.70	7.75	7.73	7.30
5 Year	7.95	7.95	7.92	7.63
10 Year	7.95	7.98	7.93	7.68

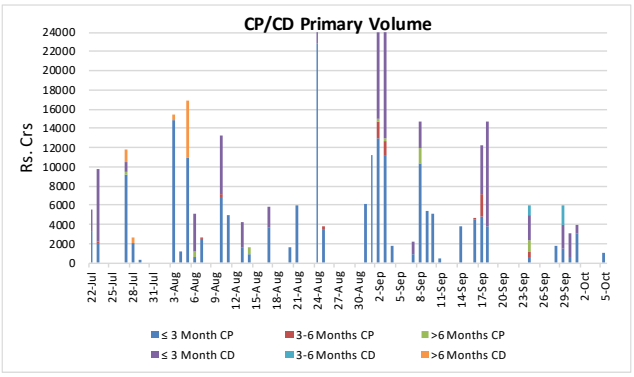
CD	5-Oct	1-Oct	29-Sep	4-Sep
3 Month	6.50	6.20	6.30	5.80
6 Month	7.10	6.80	6.92	6.40
1 Year	7.35	7.40	7.42	7.00

CP	5-Oct	1-Oct	29-Sep	4-Sep
3 Month	6.55	6.25	6.35	5.85
6 Month	7.15	6.85	6.97	6.45
1 Year	7.40	7.45	7.47	7.05

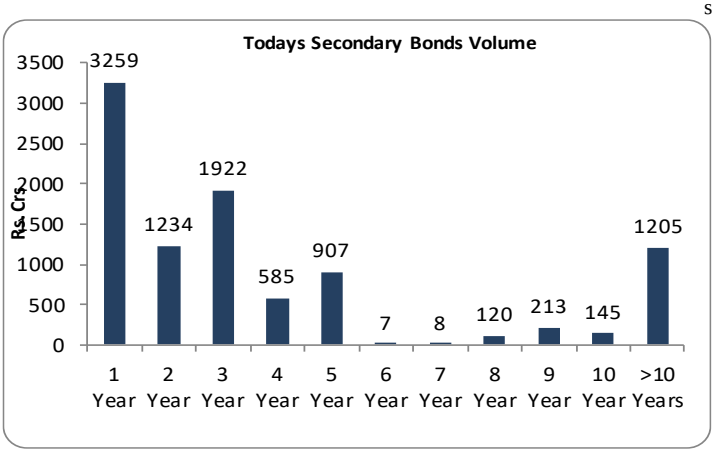
OIS Rate	5-Oct	1-Oct	29-Sep	4-Sep
1 Year	6.26	6.27	6.19	5.99
2 Year	6.45	6.48	6.39	6.18
3 Year	6.55	6.58	6.50	6.31
5 Year	6.69	6.73	6.65	6.46

	5-Oct	1-Oct	29-Sep	4-Sep
Sensex	72,312	71,910	72,529	76,515
Nifty	22,535	22,422	22,716	23,898
USD/INR	96.29	96.32	95.98	94.49
Gold (USD)	4,159	4,178	4,181	4,428
Oil (USD)	102.46	102.31	102.59	96.28

NDF	5-Oct	1-Oct	29-Sep	4-Sep
3 Month	97.31	97.43	97.04	95.07
1 Year	99.63	99.60	99.29	97.37
2 Year	102.42	102.33	102.06	100.21
3 Year	105.34	105.23	104.96	103.15



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10 Year Benchmarks	5-Oct	1-Oct	29-Sep	4-Sep
India	7.22	7.22	7.16	6.96
US	5.28	5.23	5.26	4.78
South Korea	4.39	4.44	4.47	4.36
Brazil	14.27	14.27	14.14	14.35
Germany	3.46	3.52	3.61	3.34
China	1.68	1.68	1.67	1.68

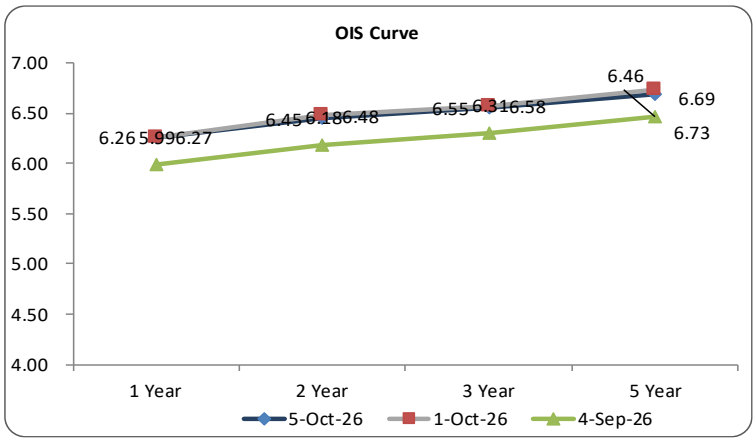
Top Traded Securities	Volume	5-Oct	1-Oct	29-Sep	4-Sep
6.75 2029	0	#N/A	6.80	6.82	6.43
6.79 2034	45	7.19	7.20	7.16	6.89
6.33 2035	25	7.18	7.17	7.11	6.88
6.92 2039	0	7.34	7.35	7.28	7.04
7.09 2054	400	7.70	7.68	7.67	7.59
7.34 2064	115	7.76	7.79	7.73	7.69

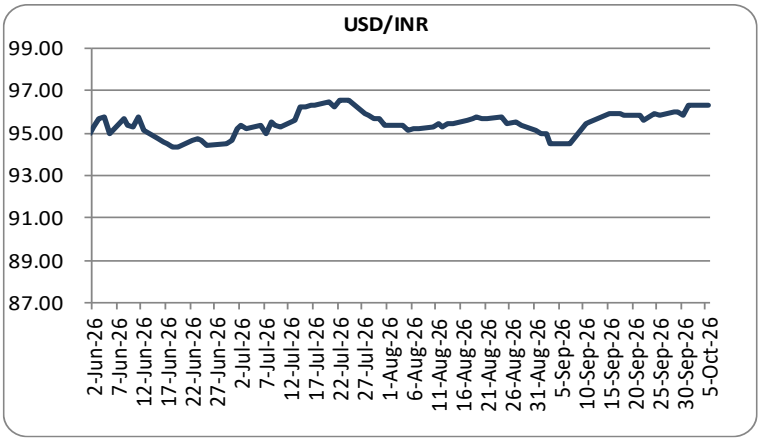
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
21-Sep-26	23,724	25,486	(1,762.41)	10,087	8,900	1,187.11	33,811	34,386	(575.30)

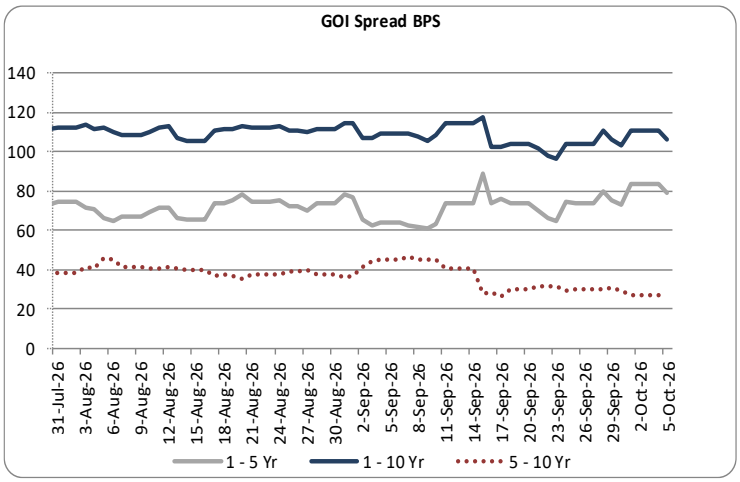
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
5-Oct-26	488	434	53.86	13148	22429	(9,281.52)	13636	22864	(9,227.66)

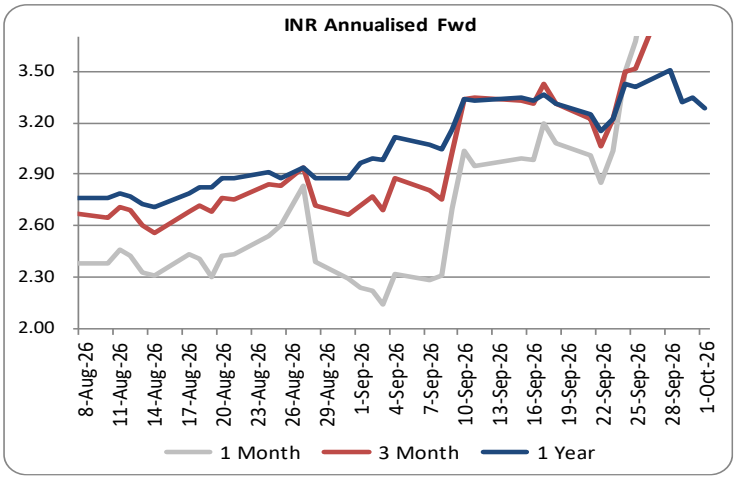
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Aug-26	9.92	9.78
CPI (%)	Aug-26	4.82	4.45
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Aug-26	54.10	53.30

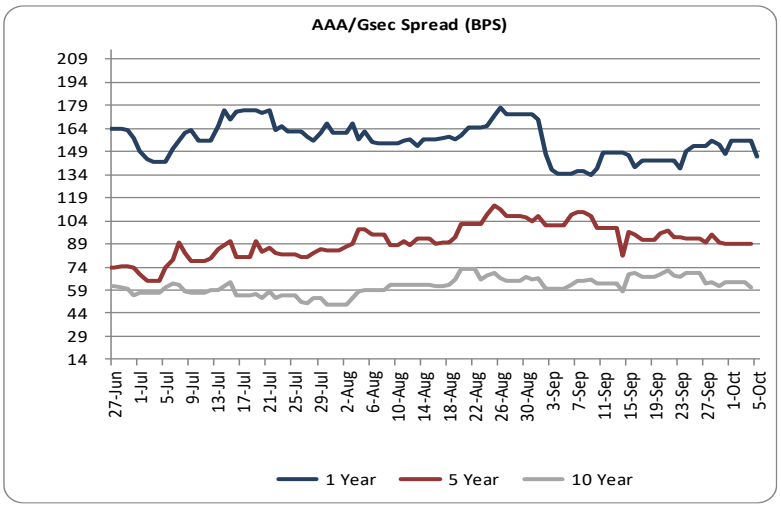
Economic Calender	Country	Date	Poll	Prior
S&P Global Services PMI (Sep)	US	05-Oct-26	58.7	56.5
ISM Non-Manufacturing PMI (Sep)	US	05-Oct-26	55.1	55.4
S&P Global Services PMI (Sep)	IN	06-Oct-26	55.8	55.8
Interest Rate Decision	IN	07-Oct-26	5.50%	5.25%
Crude Oil Inventories	US	07-Oct-26		0.922M
FOMC Meeting Minutes	US	07-Oct-26		
Initial Jobless Claims	US	08-Oct-26	200K	197K

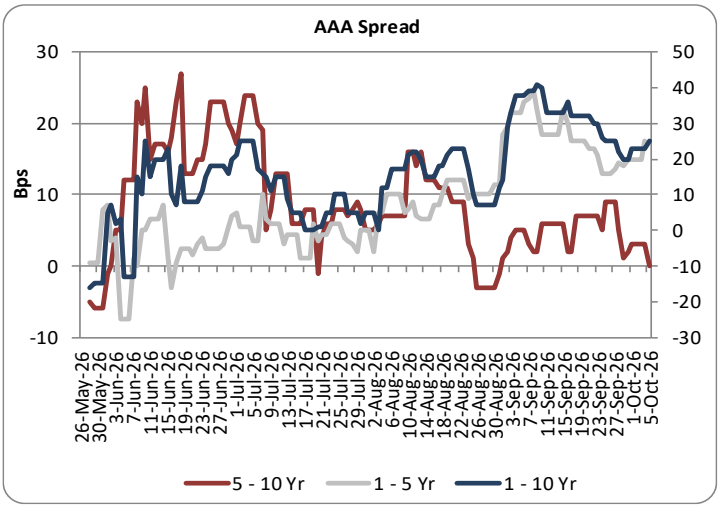

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.26
5.996.27
6.45
6.186.48
6.55
6.316.58
6.46
6.69
6.73
1 Year
2 Year
3 Year
5 Year
5-Oct-26
1-Oct-26
4-Sep-26

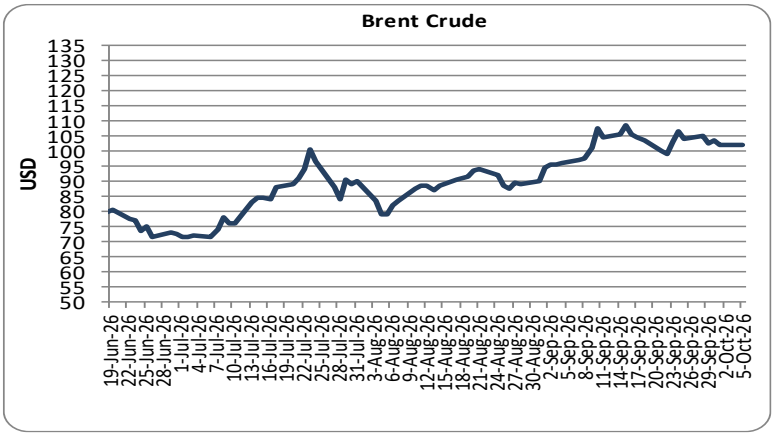

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
2-Jun-26
7-Jun-26
12-Jun-26
17-Jun-26
22-Jun-26
27-Jun-26
2-Jul-26
7-Jul-26
12-Jul-26
17-Jul-26
22-Jul-26
27-Jul-26
1-Aug-26
6-Aug-26
11-Aug-26
16-Aug-26
21-Aug-26
26-Aug-26
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15-Sep-26
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25-Sep-26
30-Sep-26
5-Oct-26

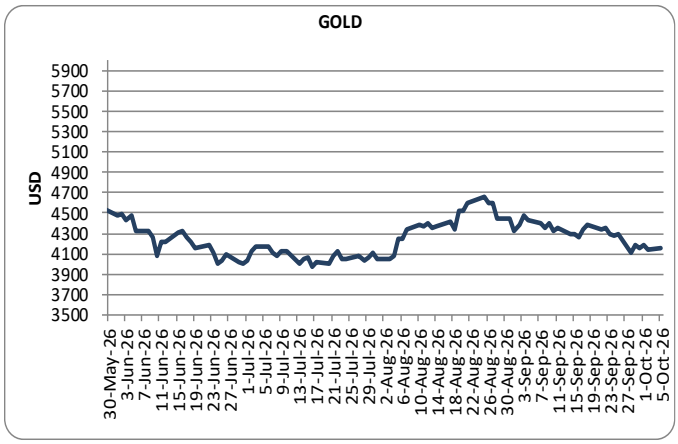

GOI Spread BPS
140
120
100
80
60
40
20
0
31-Jul-26
3-Aug-26
6-Aug-26
9-Aug-26
12-Aug-26
15-Aug-26
18-Aug-26
21-Aug-26
24-Aug-26
27-Aug-26
30-Aug-26
2-Sep-26
5-Sep-26
8-Sep-26
11-Sep-26
14-Sep-26
17-Sep-26
20-Sep-26
23-Sep-26
26-Sep-26
29-Sep-26
2-Oct-26
5-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


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


AAA Spread
Bps
30
20
10
0
-10
50
40
30
20
10
0
-20
-30
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
10-Aug-26
14-Aug-26
18-Aug-26
22-Aug-26
26-Aug-26
30-Aug-26
3-Sep-26
7-Sep-26
11-Sep-26
15-Sep-26
19-Sep-26
23-Sep-26
27-Sep-26
1-Oct-26
5-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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