BONDWATCH

Daily

INDIA

07-10-2026

The benchmark 6.94 2036 bond yield closed at 7.2410% vs 7.1928% in the previous session.

India's benchmark 10-year yield rose after the RBI hiked the repo rate by 25 bps to 5.5% and shifted to "calibrated tightening", signaling further hikes or a pause ahead. OIS rates rose as well after the RBI hike, with 1Y up 1.25 bps to 6.25%, 2Y up 3.75 bps to 6.4525% and 5Y up 5.25 bps to 6.7225%.

RBI raised the repo rate by 25 bps to 5.5%, its first hike in nearly 4 years, and shifted to a "calibrated tightening" stance, while raising its FY27 CPI forecast to 5.2% and GDP to 7.1%. The move was largely priced in, with 1Y OIS already factoring in about 100 bps of tightening. RBI will continue using OMOs, VRRRs and FX swaps to drain liquidity, not ruling out a CRR hike, and sees the surplus to be exhausted by fiscal year-end.

Brent rose 1.2% to $101.80/bbl on Middle East supply risks and a storm threatening US oil output.

Globally, US 30Y yield hit a 24-year high of 5.70%, pushing the 30Y mortgage rate up to 7.49%, its highest since Nov 2023. France's 10Y yield rose 10 bps to 4.84% and Italy's 9 bps to 4.63%, outpacing Germany's 2 bps rise to 3.50% on fiscal worries and higher oil. DXY rose 0.3% to 102.13 on higher oil, while Oct Fed hike odds fell to 21.6% from 51% a week ago.

Market Observations

G-sec

T-Bill cut off came in Higher-Than market expectations by 7-8bps in 6m & 1yr maturity, while 2bps higher in 3m maturity, where cut-off for 3m came in at 5.5747%, 6m at 6.0999% and 1yr at 6.2869%. Post cut-off, size buying demand was visible up to 3m maturity tbill (Oct, Nov, Dec 2026) at 5.26, 5.32 and 5.43 levels, where Mutual Funds acted as both buyers and sellers.

30-year maturity Gsec Switch (7.09 2054 vs 7.24 2055) was dealt at 0.80bps, where 7.09 2054 traded higher. This switch was dealt between Foreign Banks and Insurance Companies to the combined tune of 500crs.

20-year maturity Gsec (7.69 2043, 8.17 2044, 7.06 2046) was actively traded between Foreign Banks, Insurance Companies and Private Banks at 7.58 and 7.62 levels to the combined tune of 325crs.

Corp Bond

AAA rated PSU bond yields rose slightly by 2-3bps across the curve with the benchmark indicative levels at 7.70% for the 1-year, 7.96% for the 5-year and 8% 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 slight upward bias, with the 3M (Jan maturity) at 6.54%, 6M (Apr maturity) at 7.1% and 1Y (Oct maturity) at 7.35% Trading was concentrated in JFM and 2–3M segment.

GOI Yield	7-Oct	6-Oct	30-Sep	7-Sep
1 Year	6.27	6.13	6.16	5.87
5 Year	6.98	6.93	6.89	6.49
10 Year	7.24	7.19	7.19	6.96

AAA Bmk	7-Oct	6-Oct	30-Sep	7-Sep
1 Year	7.70	7.70	7.73	7.32
5 Year	7.96	7.95	7.91	7.68
10 Year	8.00	7.95	7.93	7.71

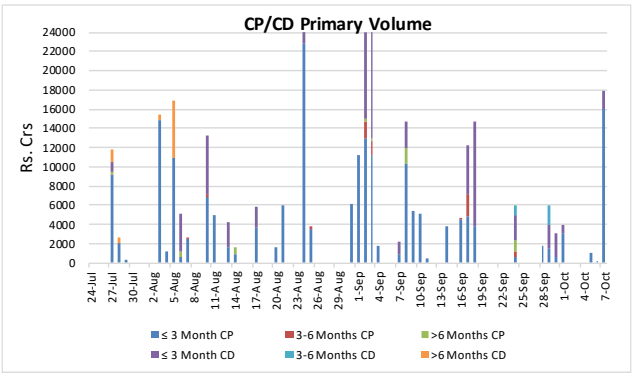
CD	7-Oct	6-Oct	30-Sep	7-Sep
3 Month	6.54	6.54	6.25	5.90
6 Month	7.10	7.10	6.83	6.40
1 Year	7.35	7.35	7.42	7.00

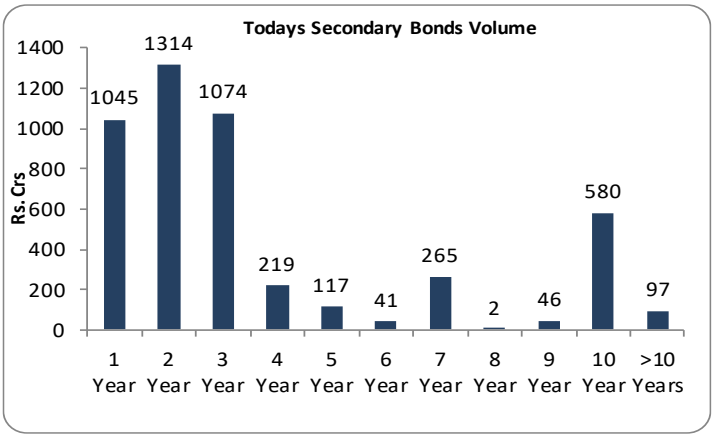
CP	7-Oct	6-Oct	30-Sep	7-Sep
3 Month	6.59	6.59	6.30	5.95
6 Month	7.15	7.15	6.88	6.45
1 Year	7.40	7.40	7.47	7.05

OIS Rate	7-Oct	6-Oct	30-Sep	7-Sep
1 Year	6.25	6.24	6.21	5.98
2 Year	6.45	6.41	6.41	6.17
3 Year	6.57	6.53	6.50	6.30
5 Year	6.72	6.67	6.65	6.46

	7-Oct	6-Oct	30-Sep	7-Sep
Sensex	72,639	73,068	72,480	76,133
Nifty	22,603	22,776	22,620	23,779
USD/INR	96.78	96.42	95.83	94.49
Gold (USD)	4,110	4,163	4,156	4,405
Oil (USD)	101.91	100.58	103.53	97.00

NDF	7-Oct	6-Oct	30-Sep	7-Sep
3 Month	98.02	97.44	96.96	95.19
1 Year	100.61	99.85	99.21	97.50
2 Year	103.56	102.60	101.90	100.12
3 Year	106.32	105.52	104.80	103.06





10 Year Benchmarks	7-Oct	6-Oct	30-Sep	7-Sep
India	7.23	7.19	7.19	6.96
US	5.33	5.27	5.29	4.78
South Korea	4.39	4.37	4.40	4.38
Brazil	12.91	12.91	14.16	14.35
Germany	3.51	3.48	3.58	3.38
China	1.68	1.68	1.68	1.68

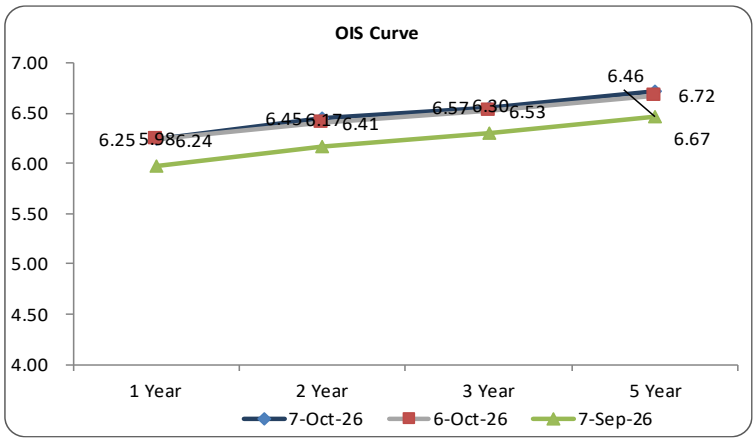
Top Traded Securities	Volume	7-Oct	6-Oct	30-Sep	7-Sep
6.75 2029	0	#N/A	6.80	6.80	6.43
6.79 2034	35	7.21	7.18	7.19	6.89
6.33 2035	40	7.20	7.16	7.11	6.88
6.92 2039	0	7.34	7.31	7.31	7.04
7.09 2054	0	#N/A	7.69	7.68	7.59
7.34 2064	370	7.79	7.77	7.74	7.67

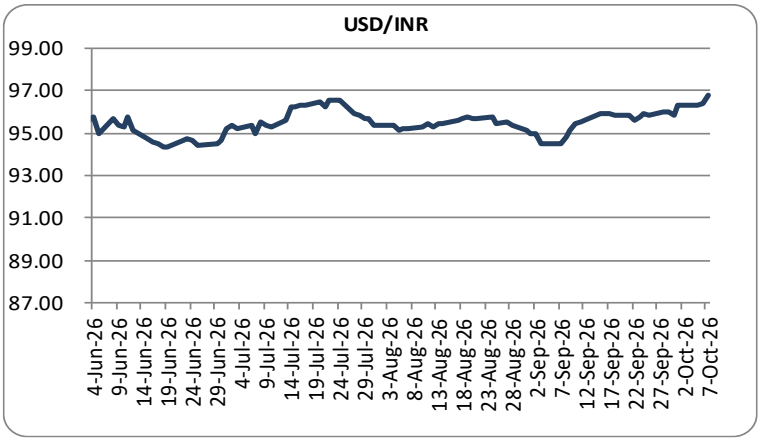
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
21-Sep-26	23,724	25,486	(1,762.41)	10,087	8,900	1,187.11	33,811	34,386	(575.30)

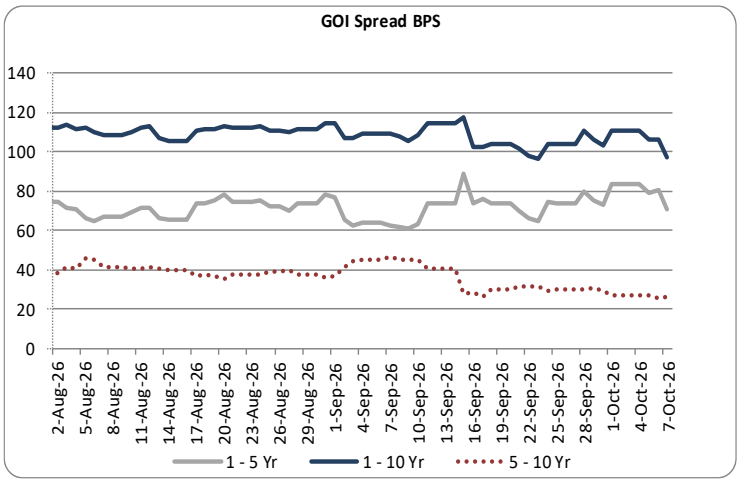
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
7-Oct-26	2169	64	2,104.54	12592	15042	(2,449.84)	14761	15106	(345.30)

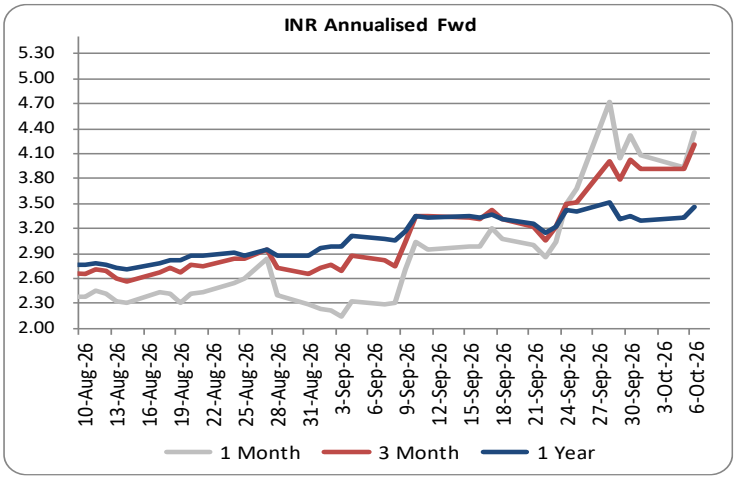
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Aug-26	9.92	9.78
CPI (%)	Aug-26	4.82	4.45
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

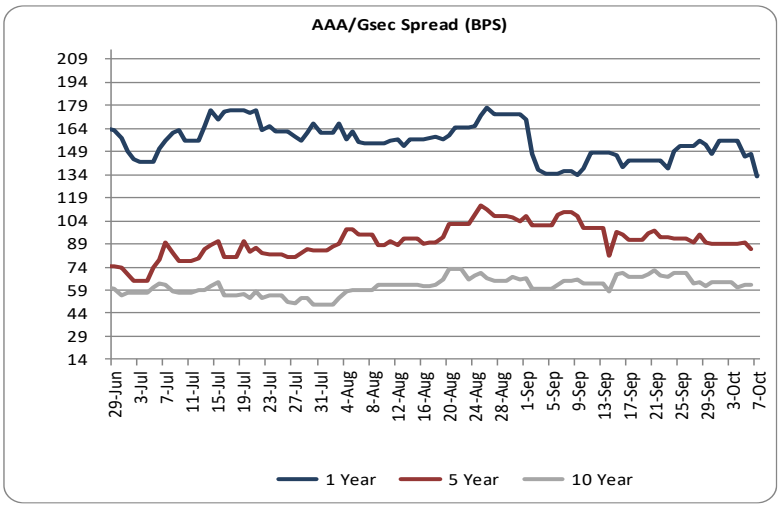
Economic Calender	Country	Date	Poll	Prior
Crude Oil Inventories	US	07-Oct-26		0.922M
FOMC Meeting Minutes	US	07-Oct-26		
Initial Jobless Claims	US	08-Oct-26	200K	197K

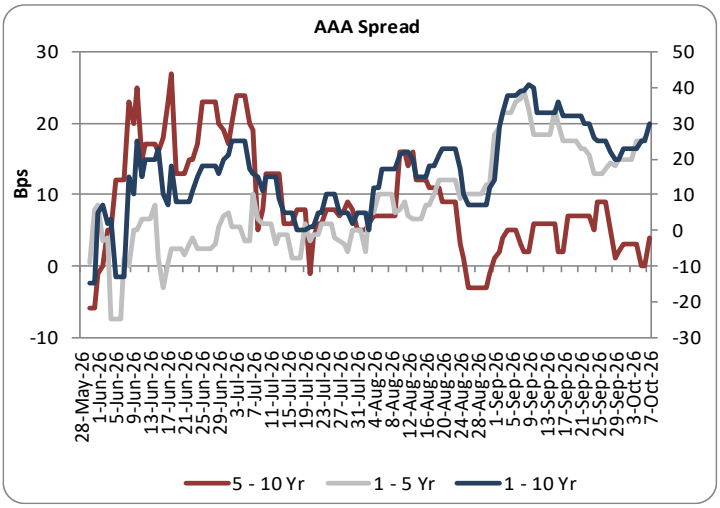

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.25
5.98
6.24
6.45
6.17
6.41
6.57
6.30
6.53
6.46
6.72
6.67
1 Year
2 Year
3 Year
5 Year
7-Oct-26
6-Oct-26
7-Sep-26

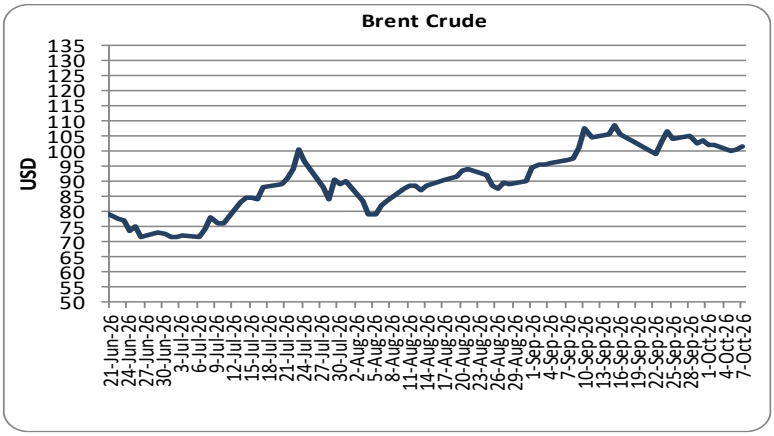

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
4-Jun-26
9-Jun-26
14-Jun-26
19-Jun-26
24-Jun-26
29-Jun-26
4-Jul-26
9-Jul-26
14-Jul-26
19-Jul-26
24-Jul-26
29-Jul-26
3-Aug-26
8-Aug-26
13-Aug-26
18-Aug-26
23-Aug-26
28-Aug-26
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22-Sep-26
27-Sep-26
2-Oct-26
7-Oct-26

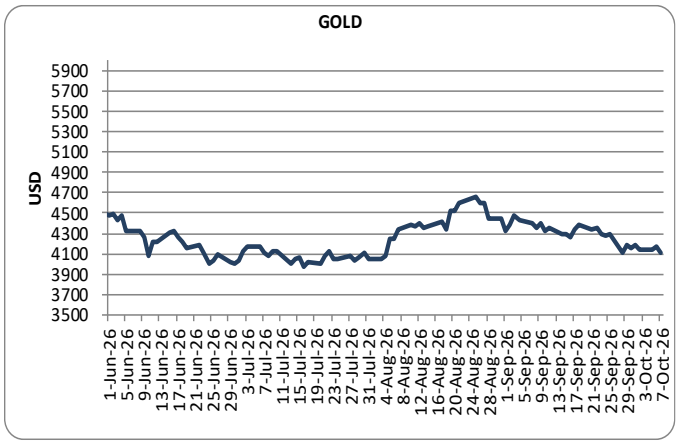

GOI Spread BPS
140
120
100
80
60
40
20
0
2-Aug-26
5-Aug-26
8-Aug-26
11-Aug-26
14-Aug-26
17-Aug-26
20-Aug-26
23-Aug-26
26-Aug-26
29-Aug-26
1-Sep-26
4-Sep-26
7-Sep-26
10-Sep-26
13-Sep-26
16-Sep-26
19-Sep-26
22-Sep-26
25-Sep-26
28-Sep-26
1-Oct-26
4-Oct-26
7-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
5.30
5.00
4.70
4.40
4.10
3.80
3.50
3.20
2.90
2.60
2.30
2.00
10-Aug-26
13-Aug-26
16-Aug-26
19-Aug-26
22-Aug-26
25-Aug-26
28-Aug-26
31-Aug-26
3-Sep-26
6-Sep-26
9-Sep-26
12-Sep-26
15-Sep-26
18-Sep-26
21-Sep-26
24-Sep-26
27-Sep-26
30-Sep-26
3-Oct-26
6-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
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
24-Aug
28-Aug
1-Sep
5-Sep
9-Sep
13-Sep
17-Sep
21-Sep
25-Sep
29-Sep
3-Oct
7-Oct
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
50
40
30
20
10
0
-10
-20
-30
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
24-Aug-26
28-Aug-26
1-Sep-26
5-Sep-26
9-Sep-26
13-Sep-26
17-Sep-26
21-Sep-26
25-Sep-26
29-Sep-26
3-Oct-26
7-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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