BONDWATCH

Daily

INDIA

19-10-2026

The benchmark 6.94 2036 bond yield closed at 7.3920% vs 7.3789% in the previous session.

The 10-year bond yield rose on Monday giving up early gains as Brent near $108 stoked inflation worries, adding to pressure from a hawkish RBI and rising rate-hike bets. OIS rates recovered from the day's lows to end little changed, with the 1Y at 6.53%, 2Y at 6.60% and 5Y at 6.78%.

Brent fell 1.2% to $108.52 as traders booked profits after a five-month high, but attacks on ships in Hormuz keep supply tight.

Globally, China's Q3 GDP grew 4.5%, beating forecasts of 4.4%, on strong exports. France's 10Y yield rose 8 bps to 4.86% after weekend unrest, widening the OAT-Bund spread to 145 bps. The US 10Y yield was flat at 5.087% on Friday, set for its biggest weekly drop in over a year on AI driven safe haven demand, with markets pricing an October Fed hold and a December hike.10Y JGB yield fell 3 bps to 2.9% on risk aversion and PM Takaichi's pledge to control debt issuance. Bank Indonesia is expected to hold rates at 5.75% on Oct 21, despite the rupiah's slide.

Market Observations

G-sec

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 23,016crs worth of bonds against the notified amount of 24,400crs. AP SDL 2051 did not get accepted while PN 2035 accepted only partial amount of 316crs in the primary auction. Highest cut-off came for 7.66 MP SDL 2048 at 8.2370 (94.18).

10yr maturity semi-liquid Gsec (7.54 2036) was actively traded at 3bps spread higher than 6.94 2036, where Foreign Banks acted as buyers and Insurance Companies as sellers.

Corp Bond

AAA rated PSU bond yields remained flattish with slight upward bias across the curve, with the benchmark indicative levels at 7.95% for the 1-year, 8.18% for the 5-year and 8.15% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

Banking system liquidity surplus fell just below ₹2 lakh crore on Oct 16, from a record ₹11.16 lakh crore on Sept 6, after RBI tightening measures. Liquidity is likely to stay tight until month end government spending kicks in. RBI infused ₹1 lakh crore via 7-day VRR, its first in 3 months, drawing ₹1.5 lakh crore in bids as call rates neared the 5.75% MSF ceiling. CD rates remained more or less flattish across the curve with the 3M (Jan maturity) at 7.05%, 6M (Apr maturity) at 7.45% and 1Y (Oct maturity) at 7.90%. Trading was concentrated in JFM and 2–3M segment.

GOI Yield	19-Oct	16-Oct	12-Oct	16-Sep
1 Year	6.53	6.53	6.33	6.03
5 Year	7.17	7.17	7.10	6.77
10 Year	7.39	7.38	7.39	7.05

AAA Bmk	19-Oct	16-Oct	12-Oct	16-Sep
1 Year	7.95	7.95	7.80	7.51
5 Year	8.18	8.18	8.13	7.85
10 Year	8.15	8.15	8.13	7.87

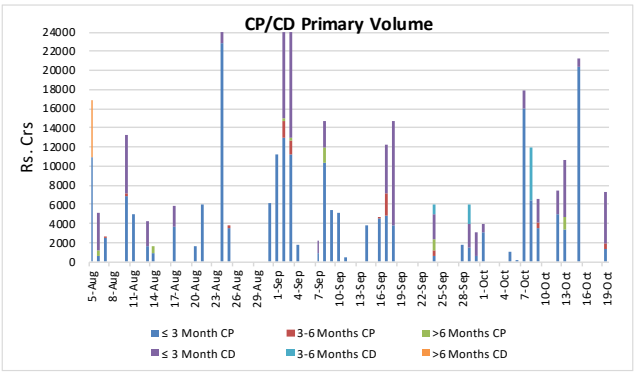
CD	19-Oct	16-Oct	12-Oct	16-Sep
3 Month	7.05	7.05	6.50	6.15
6 Month	7.45	7.45	7.15	6.75
1 Year	7.90	7.85	7.50	7.30

CP	19-Oct	16-Oct	12-Oct	16-Sep
3 Month	7.10	7.10	6.55	6.20
6 Month	7.50	7.50	7.20	6.80
1 Year	7.95	7.90	7.55	7.35

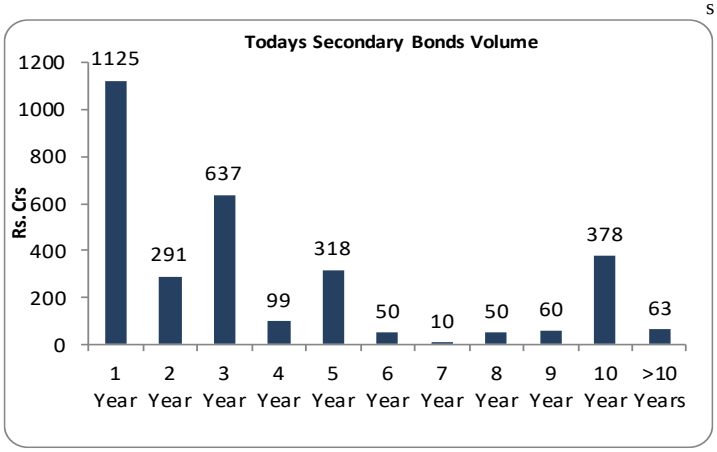
OIS Rate	19-Oct	16-Oct	12-Oct	16-Sep
1 Year	6.53	6.56	6.36	6.07
2 Year	6.60	6.62	6.55	6.30
3 Year	6.65	6.67	6.67	6.44
5 Year	6.78	6.79	6.80	6.62

	19-Oct	16-Oct	12-Oct	16-Sep
Sensex	73,853	74,729	71,925	74,336
Nifty	22,889	23,146	22,363	23,218
USD/INR	94.93	94.96	95.77	95.96
Gold (USD)	4,165	4,165	4,171	4,262
Oil (USD)	108.48	109.86	106.65	105.83

NDF	19-Oct	16-Oct	12-Oct	16-Sep
3 Month	96.24	96.26	97.15	96.90
1 Year	98.88	98.94	99.88	99.32
2 Year	102.04	102.02	103.00	101.97
3 Year	105.04	104.97	105.88	105.34



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10 Year Benchmarks	19-Oct	16-Oct	12-Oct	16-Sep
India	7.39	7.38	7.39	7.05
US	5.09	5.10	5.24	5.00
South Korea	4.15	4.16	4.32	4.55
Brazil	13.09	13.09	12.54	14.37
Germany	3.44	3.41	3.48	3.51
China	1.68	1.64	1.67	1.68

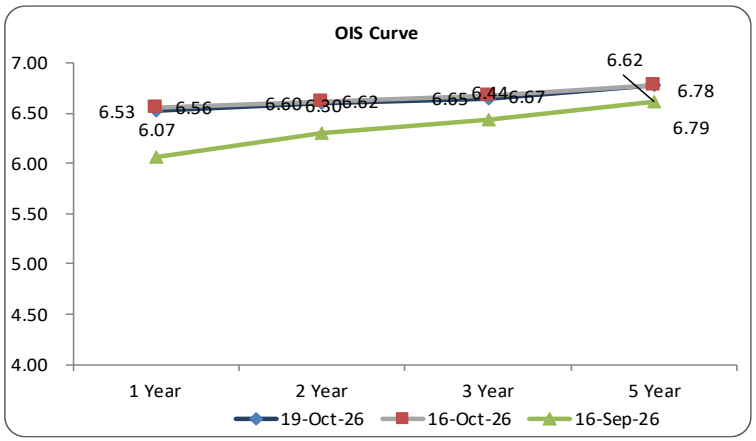
Top Traded Securities	Volume	19-Oct	16-Oct	12-Oct	16-Sep
6.75 2029	0	7.12	7.10	6.81	6.63
6.79 2034	0	7.40	7.37	7.27	7.05
6.33 2035	0	7.37	7.34	7.27	7.01
6.92 2039	0	7.45	7.44	7.44	7.16
7.09 2054	0	#N/A	7.81	7.85	7.66
7.34 2064	20	7.86	7.86	7.85	7.71

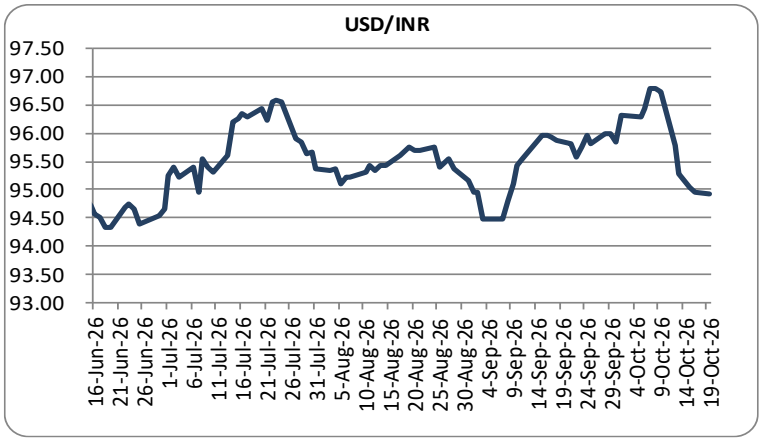
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Oct-26	13,528	13,891	(363.09)	12,444	9,499	2,944.93	25,972	23,390	2,581.84

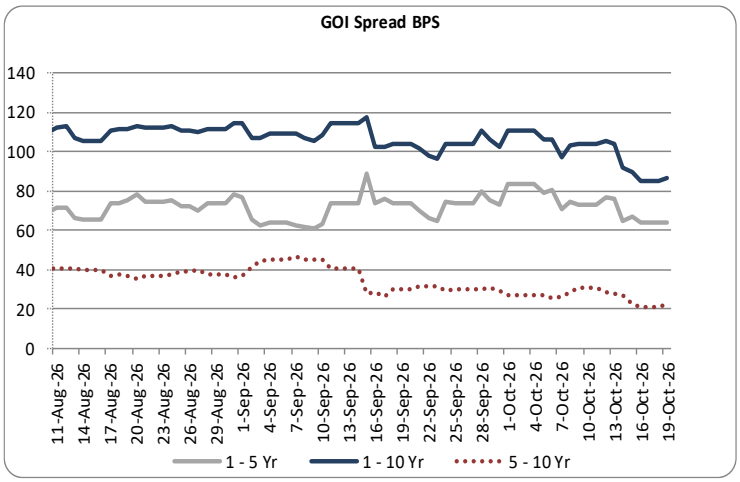
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
19-Oct-26	401	144	257.05	21531	18888	2,643.24	21932	19032	2,900.29

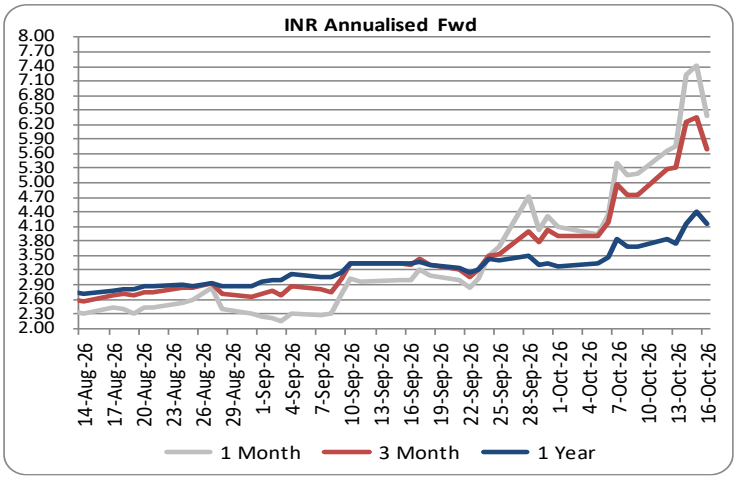
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

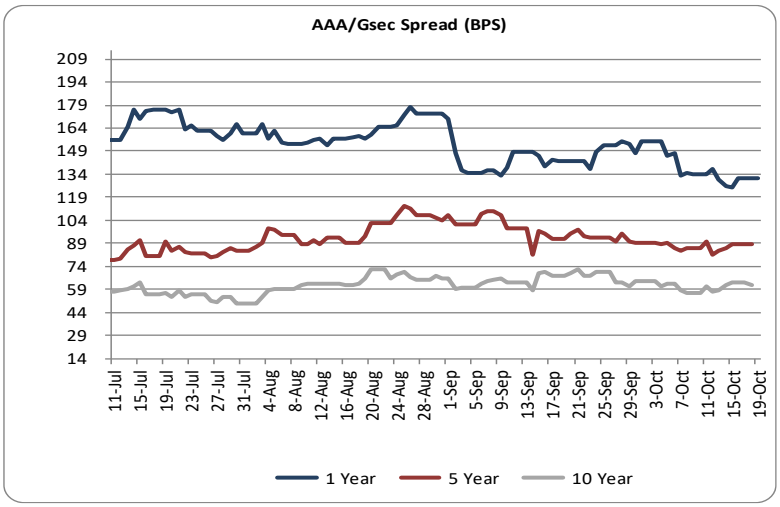
Economic Calender	Country	Date	Poll	Prior
CPI (YoY) (Sep)	UK	21-Oct-26	3.4%	3.1%
Crude Oil Inventories	US	21-Oct-26		-8.557M
Initial Jobless Claims	US	22-Oct-26	200K	199K
S&P Global Services PMI (Oct) P	IN	23-Oct-26		55.2
S&P Global Manufacturing PMI (Oct) P	IN	23-Oct-26		55.1
S&P Global Services PMI (Oct) P	US	23-Oct-26	58.0	58.8
S&P Global Manufacturing PMI (Oct) P	US	23-Oct-26	55.5	55.9

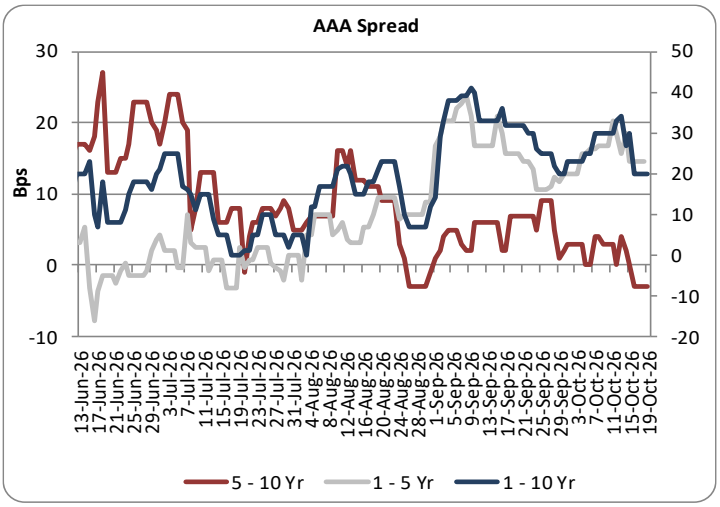

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.53
6.56
6.60
6.30
6.62
6.65
6.44
6.67
6.62
6.78
6.07
6.79
1 Year
2 Year
3 Year
5 Year
19-Oct-26
16-Oct-26
16-Sep-26

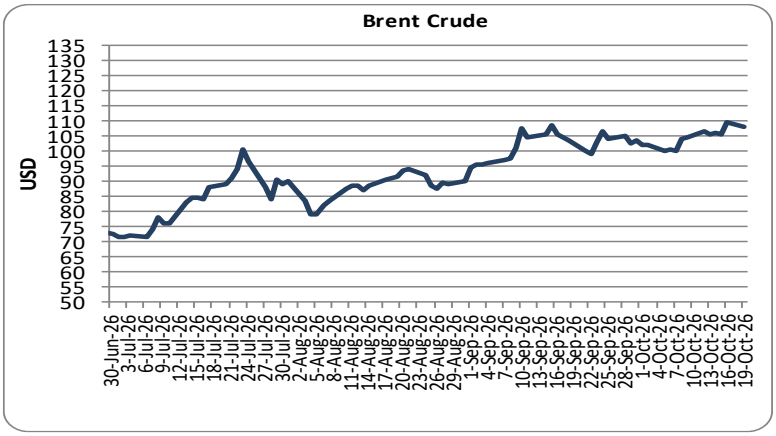

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
16-Jun-26
21-Jun-26
26-Jun-26
1-Jul-26
6-Jul-26
11-Jul-26
16-Jul-26
21-Jul-26
26-Jul-26
31-Jul-26
5-Aug-26
10-Aug-26
15-Aug-26
20-Aug-26
25-Aug-26
30-Aug-26
4-Sep-26
9-Sep-26
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9-Oct-26
14-Oct-26
19-Oct-26

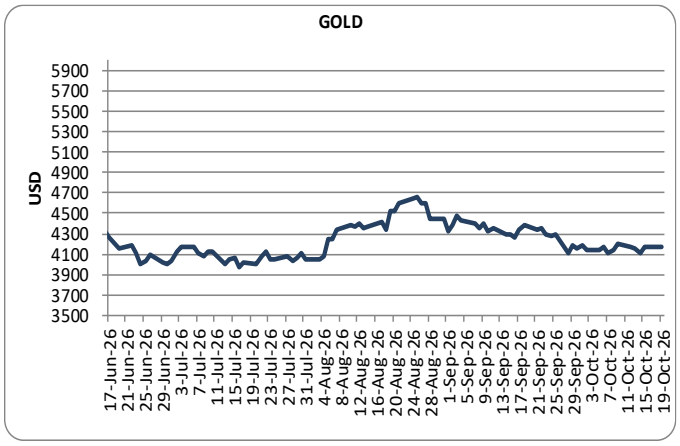

GOI Spread BPS
140
120
100
80
60
40
20
0
11-Aug-26
14-Aug-26
17-Aug-26
20-Aug-26
23-Aug-26
26-Aug-26
29-Aug-26
1-Sep-26
4-Sep-26
7-Sep-26
10-Sep-26
13-Sep-26
16-Sep-26
19-Sep-26
22-Sep-26
25-Sep-26
28-Sep-26
1-Oct-26
4-Oct-26
7-Oct-26
10-Oct-26
13-Oct-26
16-Oct-26
19-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10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


INR Annualised Fwd
8.00
7.70
7.40
7.10
6.80
6.50
6.20
5.90
5.60
5.30
5.00
4.70
4.40
4.10
3.80
3.50
3.20
2.90
2.60
2.30
2.00
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
10-Oct-26
13-Oct-26
16-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
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
11-Oct
15-Oct
19-Oct
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
50
40
30
20
10
0
-10
-20
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
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31-Jul-26
4-Aug-26
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3-Oct-26
7-Oct-26
11-Oct-26
15-Oct-26
19-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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