BONDWATCH

INDIA

Daily

23-10-2026

The benchmark 6.94 2036 bond yield closed at 7.4740% vs 7.4596% in the previous session.

The 10-year G-sec yield rose about 9 bps this week to 7.47%, its tenth straight weekly rise. Rising oil prices leading to inflation concerns, growing bets on further RBI rate hikes drove India bond yields higher, with the MPC minutes signaling more hikes were needed while OIS rates were largely unchanged this week, with the 1-year at 6.58%, and the 5-year at 6.815%, as most negatives were already priced in. The rupee fell 0.1% to 94.94 per dollar, little changed for the week, as Brent near $114 weighed.

RBI's October minutes confirmed a hawkish pivot after the 25-bps hike, keeping a December hike on the table as inflation is seen at 6% this quarter.

Brent is headed for a third straight weekly gain of about 4%, at $114.31, as Houthi attacks in Saudi Arabia stoked fears of Middle East supply disruptions.

Globally, U.S. and Japanese yields eased as a tech-led equity sell-off spurred safe-haven demand, while CME Fed Watch showed odds of an October Fed hike at 7.2%

Market Observations

G-sec

Gsec cut-off came In-Line with market expectations, where cut off for 6.53% GS 2031 came in at 96.65 (7.3589%) and 7.71% GS 2066 at 97.30 (7.9339%). RBI received competitive bids for a total stipulated amount of 62,500crs vs the notified amount of 33,000crs.

3-year maturity Gsec (6.03 2029, 7.10 2029, 6.20 2029, 6.79 2029) was actively sought after by Foreign Banks at 6.91, 7.06, 6.99 and 7.08 levels, to the combined tune of 1,200crs.

Switches were visible in 30-year maturity Gsec (7.30 2053 vs 7.24 2055) at 1bps, where 7.30 2053 traded higher. These switches were predominantly dealt between Foreign Banks and Insurance Companies to the tune of 500crs.

Corp Bond

Over the week, AAA rated PSU bond yields rose by 10-12 bps across the curve, with the benchmark indicative levels at 8.14% for the 1-year vs 7.95%, 8.30% for the 5-year vs 8.18% and 8.24% for the 10-year vs 8.15%. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

Banking system liquidity surplus shrank to ₹540 crore from about ₹2 lakh crore last week on RBI tightening and tax outflows, prompting a VRR as overnight rates spiked, while liquidity is likely to stay tight until month end government spending. CD rates spiked across the curve with the 3M (Jan maturity) at 7.50% vs 7.05%, 6M (Apr maturity) at 7.80% vs 7.45% and 1Y (Oct maturity) at 8.15% vs 7.85%. Trading activity was concentrated in JFM and 2–3M segment.

GOI Yield	23-Oct	22-Oct	16-Oct	23-Sep
1 Year	6.47	6.46	6.53	6.08
5 Year	7.20	7.21	7.17	6.73
10 Year	7.47	7.46	7.38	7.04

AAA Bmk	23-Oct	22-Oct	16-Oct	23-Sep
1 Year	8.14	8.12	7.95	7.55
5 Year	8.30	8.28	8.18	7.78
10 Year	8.24	8.22	8.15	7.85

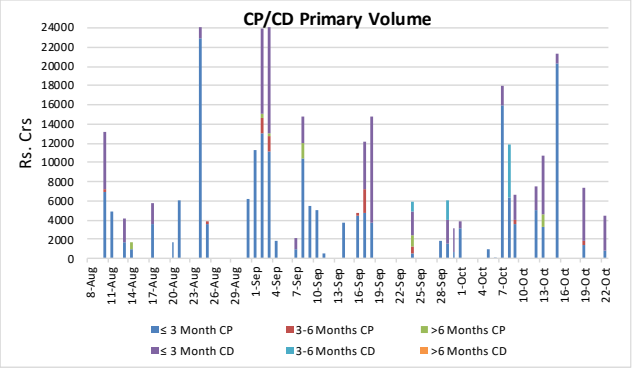
CD	23-Oct	22-Oct	16-Oct	23-Sep
3 Month	7.50	7.55	7.05	6.00
6 Month	7.80	7.80	7.45	6.75
1 Year	8.15	8.05	7.85	7.35

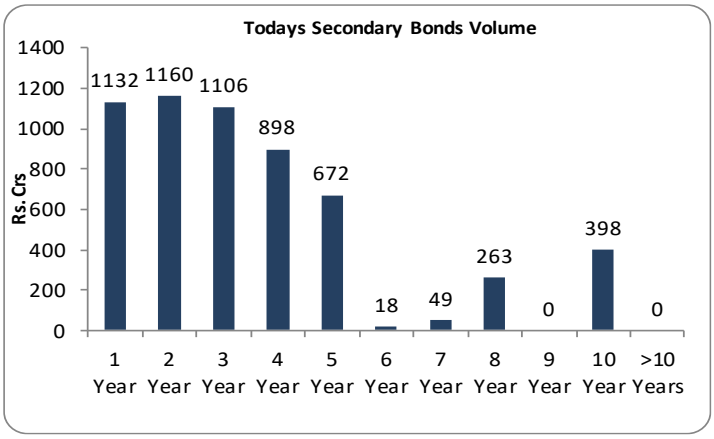
CP	23-Oct	22-Oct	16-Oct	23-Sep
3 Month	7.55	7.60	7.10	6.05
6 Month	7.85	7.85	7.50	6.80
1 Year	8.20	8.10	7.90	7.40

OIS Rate	23-Oct	22-Oct	16-Oct	23-Sep
1 Year	6.58	6.56	6.56	6.10
2 Year	6.65	6.63	6.62	6.30
3 Year	6.71	6.68	6.67	6.40
5 Year	6.82	6.80	6.79	6.55

	23-Oct	22-Oct	16-Oct	23-Sep
Sensex	72,985	73,249	74,729	74,828
Nifty	22,547	22,688	23,146	23,447
USD/INR	94.96	94.82	94.96	95.74
Gold (USD)	4,025	4,024	4,165	4,287
Oil (USD)	113.70	113.17	109.86	103.08

NDF	23-Oct	22-Oct	16-Oct	23-Sep
3 Month	96.36	96.23	96.26	96.54
1 Year	99.15	99.00	98.94	98.94
2 Year	102.18	102.06	102.02	101.45
3 Year	105.06	105.09	104.97	104.39





10 Year Benchmarks	23-Oct	22-Oct	16-Oct	23-Sep
India	7.47	7.46	7.38	7.04
US	4.98	4.95	5.10	5.11
South Korea	4.10	4.14	4.16	4.41
Brazil	13.09	13.09	13.09	14.17
Germany	3.33	3.34	3.41	3.55
China	1.59	1.59	1.64	1.67

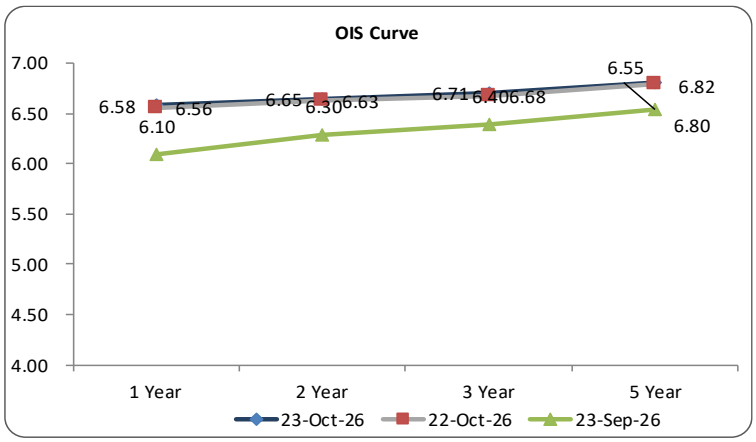
Top Traded Securities	Volume	23-Oct	22-Oct	16-Oct	23-Sep
6.75 2029	0	#N/A	7.18	7.10	6.64
6.79 2034	0	#N/A	#N/A	7.37	7.02
6.33 2035	15	7.45	7.38	7.34	7.01
6.92 2039	0	7.56	7.53	7.44	7.14
7.09 2054	0	#N/A	7.87	7.81	7.59
7.34 2064	15	7.94	7.91	7.86	7.66

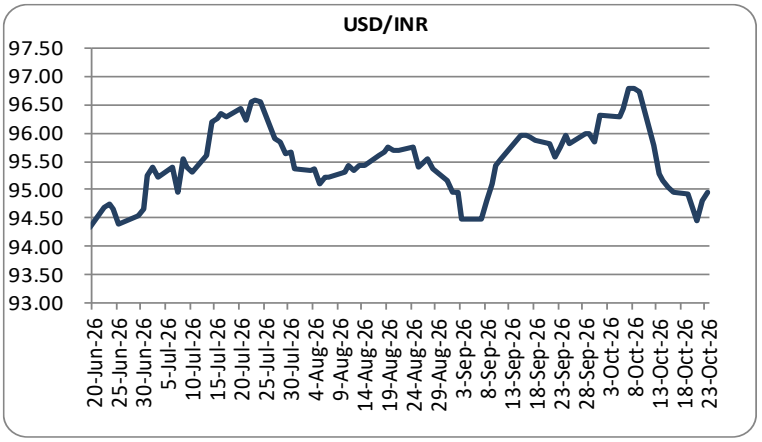
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Oct-26	13,528	13,891	(363.09)	12,444	9,499	2,944.93	25,972	23,390	2,581.84

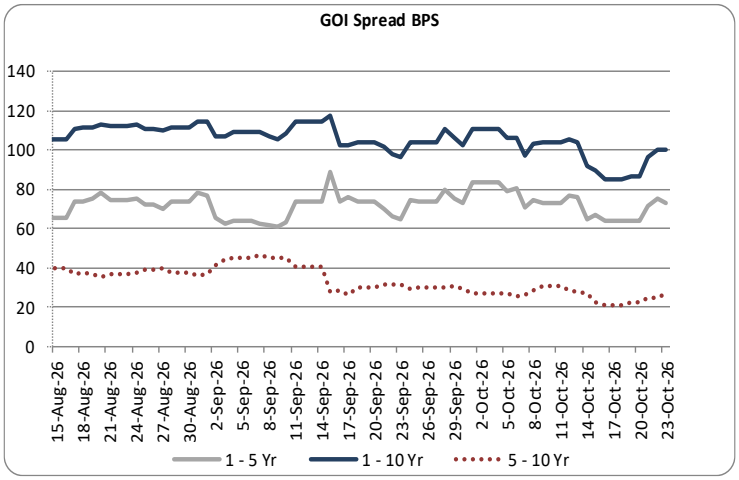
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
23-Oct-26	136	202	(65.75)	17293	17138	154.97	17429	17340	89.22

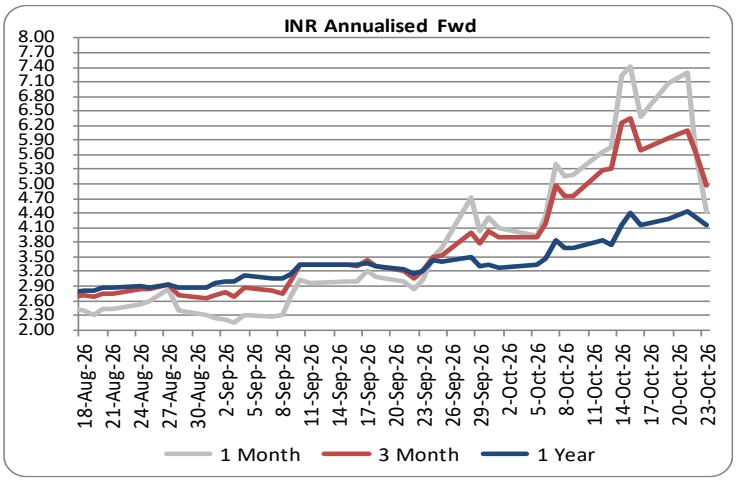
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

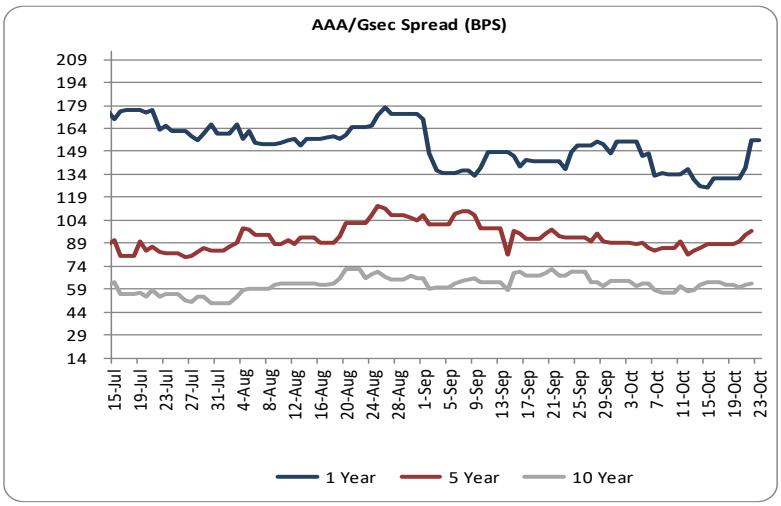
Economic Calender	Country	Date	Poll	Prior
CB Consumer Confidence (Oct)	US	27-Oct-26	80.5	81.9
New Home Sales (Sep)	US	27-Oct-26	652K	684K
Industrial Production (YoY) (Sep)	IN	28-Oct-26		8.0%
Autumn Forecast Statement	UK	28-Oct-26		
Crude Oil Inventories	US	28-Oct-26		-3.060M
Fed Interest Rate Decision	US	28-Oct-26	4.00%	4.00%
FOMC Statement	US	28-Oct-26		
FOMC Press Conference	US	29-Oct-26		

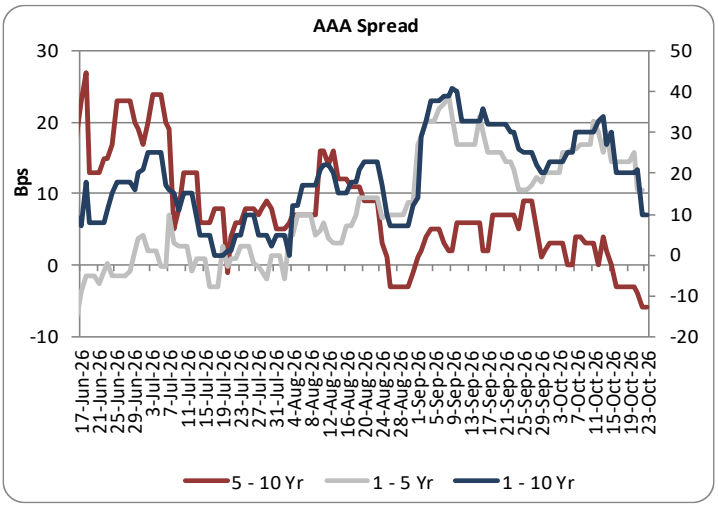

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.58
6.56
6.10
6.65
6.30
6.63
6.71
6.40
6.68
6.55
6.82
6.80
1 Year
2 Year
3 Year
5 Year
23-Oct-26
22-Oct-26
23-Sep-26

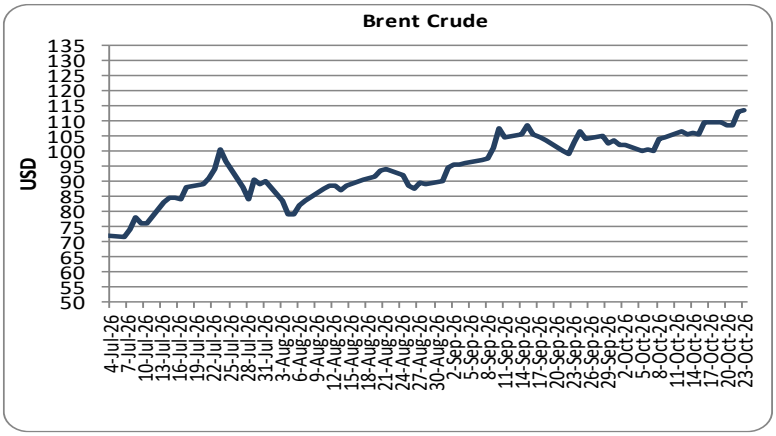

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
20-Jun-26
25-Jun-26
30-Jun-26
5-Jul-26
10-Jul-26
15-Jul-26
20-Jul-26
25-Jul-26
30-Jul-26
4-Aug-26
9-Aug-26
14-Aug-26
19-Aug-26
24-Aug-26
29-Aug-26
3-Sep-26
8-Sep-26
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18-Oct-26
23-Oct-26

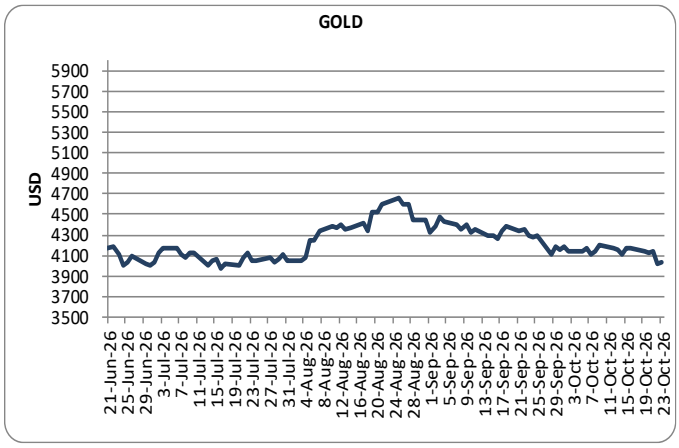

GOI Spread BPS
140
120
100
80
60
40
20
0
15-Aug-26
18-Aug-26
21-Aug-26
24-Aug-26
27-Aug-26
30-Aug-26
2-Sep-26
5-Sep-26
8-Sep-26
11-Sep-26
14-Sep-26
17-Sep-26
20-Sep-26
23-Sep-26
26-Sep-26
29-Sep-26
2-Oct-26
5-Oct-26
8-Oct-26
11-Oct-26
14-Oct-26
17-Oct-26
20-Oct-26
23-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10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


AAA Spread
30
20
10
0
-10
Bps
50
40
30
20
10
0
-10
-20
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
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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
11-Oct-26
15-Oct-26
19-Oct-26
23-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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