BONDWATCH

INDIA

Daily

26-10-2026

The benchmark 6.94 2036 bond yield closed at 7.4826% vs 7.4740% in the previous session.

The 10-year G-sec yield rose, giving up early gains as high oil prices raised inflation worries while OIS rate ended sharply higher, with the 1 year up 7 bps to 6.6525%, and the 5 year up 1.75 bps to 6.84%. The rupee fell 0.3% to 95.1850 per dollar on importer demand and high oil.

Bond markets have been weak since the RBI raised rates, changed its stance and Governor Sanjay Malhotra signaled more tightening could follow.

The Fed is expected to hold rates this week, and markets will look for hints on whether more hikes are coming this year. The India-US 10 year spread widened to about 248 bps, as markets price in RBI hikes but no Fed move this week.

Brent fell 1.63% to $114.82 on US-Iran de-escalation hopes, but Houthi attacks on Saudi Arabia kept it near six-month highs.

Globally, France's 10Y yield fell 6 bps to 4.963% after Moody's kept the country at Aa3, and the German-French spread tightened 8 bps to 158 bps. The BOJ is expected to hold rates at 1.25% at its October 29-30 meeting. The US 10Y yield rose 3.7 bps to 4.99% on Friday, staying under 5%, and CME Fed Watch puts the odds of a Fed hike next week at 9.4%.

Market Observations

G-sec

3-year maturity SDLs (2029) was actively sought after by Mutual Funds, PSU Banks at 7.55 centric levels, where Insurance Companies and Foreign Banks acted as sellers.

3-year maturity Gsec (6.79 2029) was actively traded between Insurance Companies and Foreign Banks at 7.10 centric levels, to the combined tune of 625crs.

Corp Bond

AAA rated PSU bond yields rose by 3-4 bps across the curve, with the benchmark indicative levels at 8.20% for the 1-year, 8.32% for the 5-year and 8.24% 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 7.50% 6M (Apr maturity) at 7.85% and 1Y (Oct maturity) at 8.15%. Trading activity was concentrated in JFM and 2–3M segment.

GOI Yield	26-Oct	23-Oct	19-Oct	25-Sep
1 Year	6.48	6.47	6.53	6.08
5 Year	7.21	7.20	7.17	6.82
10 Year	7.48	7.47	7.39	7.12

AAA Bmk	26-Oct	23-Oct	19-Oct	25-Sep
1 Year	8.20	8.14	7.95	7.70
5 Year	8.32	8.30	8.18	7.86
10 Year	8.24	8.24	8.15	7.95

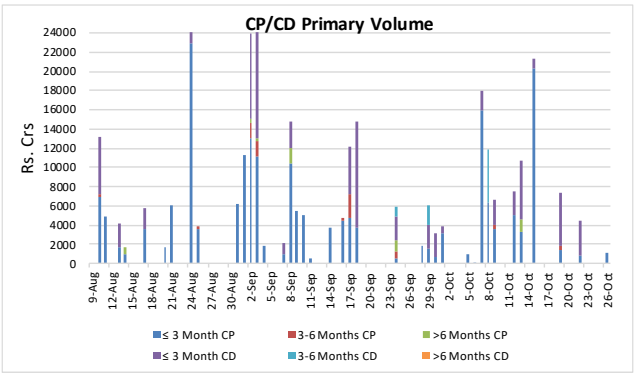
CD	26-Oct	23-Oct	19-Oct	25-Sep
3 Month	7.50	7.50	7.05	6.30
6 Month	7.85	7.80	7.45	6.85
1 Year	8.15	8.15	7.90	7.40

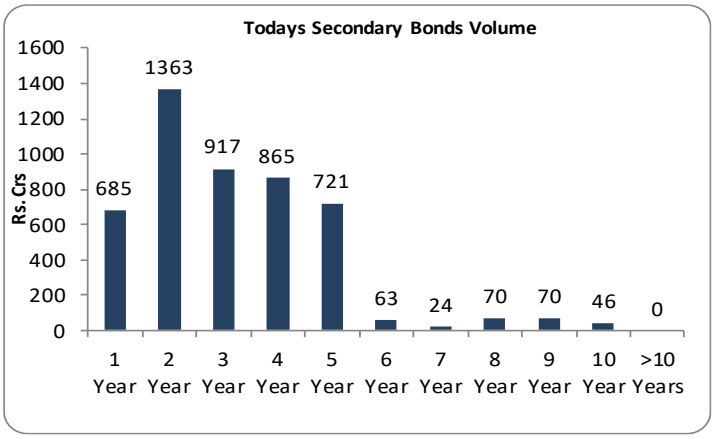
CP	26-Oct	23-Oct	19-Oct	25-Sep
3 Month	7.55	7.55	7.10	6.35
6 Month	7.90	7.85	7.50	6.90
1 Year	8.20	8.20	7.95	7.45

OIS Rate	26-Oct	23-Oct	19-Oct	25-Sep
1 Year	6.65	6.58	6.53	6.16
2 Year	6.70	6.65	6.60	6.37
3 Year	6.76	6.71	6.65	6.48
5 Year	6.84	6.82	6.78	6.63

	26-Oct	23-Oct	19-Oct	25-Sep
Sensex	73,607	73,124	73,853	73,896
Nifty	22,753	22,600	22,889	23,141
USD/INR	95.19	94.94	94.93	95.81
Gold (USD)	4,015	3,996	4,140	4,286
Oil (USD)	115.12	116.72	109.55	104.32

NDF	26-Oct	23-Oct	19-Oct	25-Sep
3 Month	96.55	96.34	96.27	96.70
1 Year	99.36	99.13	98.94	99.08
2 Year	102.49	102.16	101.84	101.75
3 Year	105.48	105.06	104.74	104.65





10 Year Benchmarks	26-Oct	23-Oct	19-Oct	25-Sep
India	7.48	7.48	7.39	7.12
US	4.99	4.99	5.14	5.18
South Korea	4.08	4.10	4.15	4.41
Brazil	12.99	12.99	13.10	14.12
Germany	3.37	3.34	3.45	3.62
China	1.59	1.62	1.68	1.68

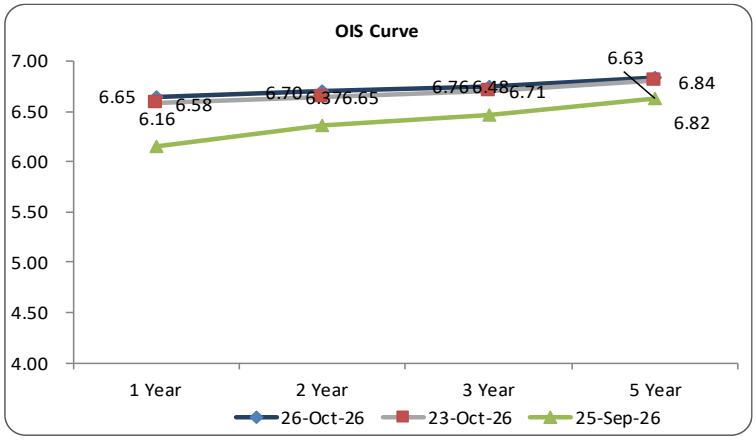
Top Traded Securities	Volume	26-Oct	23-Oct	19-Oct	25-Sep
6.75 2029	5	7.14	7.23	7.09	6.65
6.79 2034	0	7.48	7.40	7.40	7.11
6.33 2035	5	7.45	7.41	7.35	7.08
6.92 2039	10	7.55	7.56	7.45	7.14
7.09 2054	20	7.91	7.89	7.81	7.68
7.34 2064	0	8.00	7.93	7.84	7.68

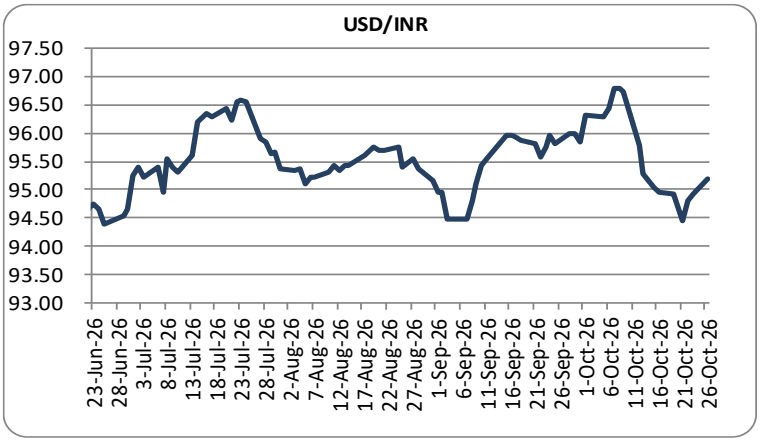
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Oct-26	13,528	13,891	(363.09)	12,444	9,499	2,944.93	25,972	23,390	2,581.84

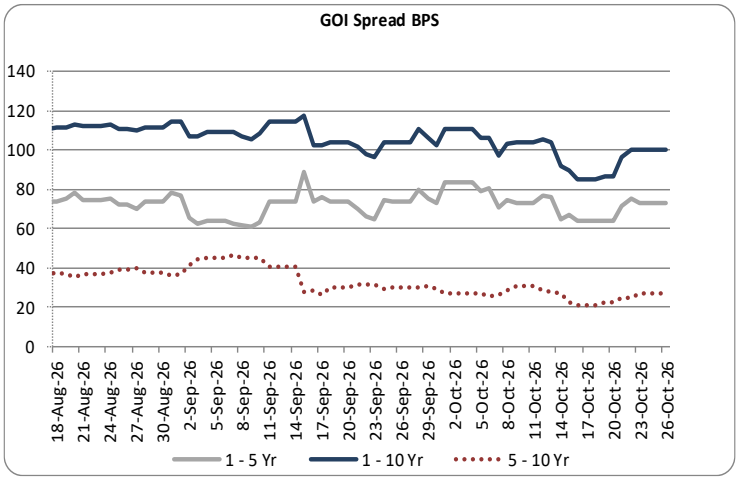
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
26-Oct-26	769	161	607.54	15340	13069	2,271.50	16109	13230	2,879.04

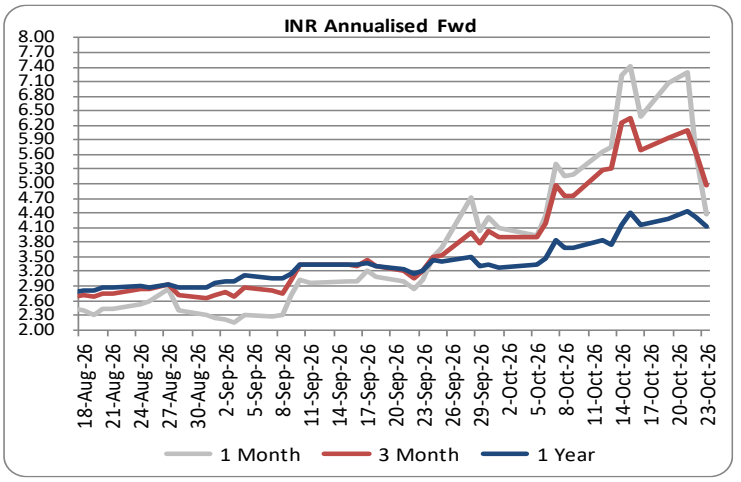
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

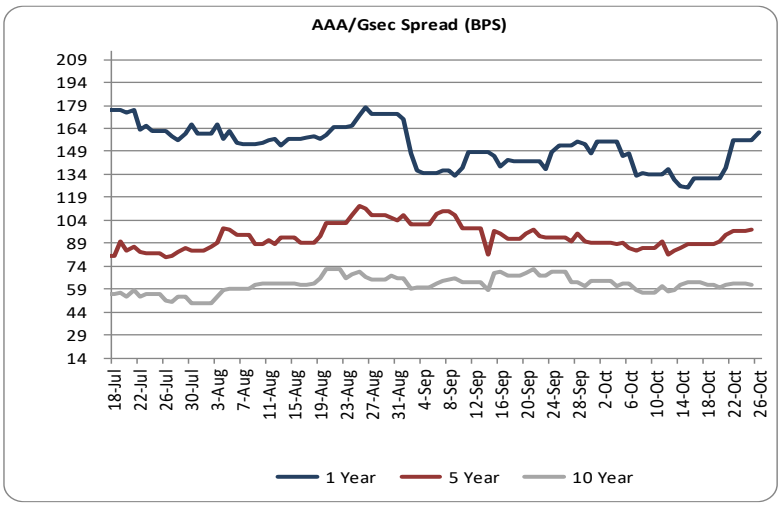
Economic Calender	Country	Date	Poll	Prior
CB Consumer Confidence (Oct)	US	27-Oct-26	80.5	81.9
New Home Sales (Sep)	US	27-Oct-26	652K	684K
Industrial Production (YoY) (Sep)	IN	28-Oct-26		8.0%
Autumn Forecast Statement	UK	28-Oct-26		
Crude Oil Inventories	US	28-Oct-26		-3.060M
Fed Interest Rate Decision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

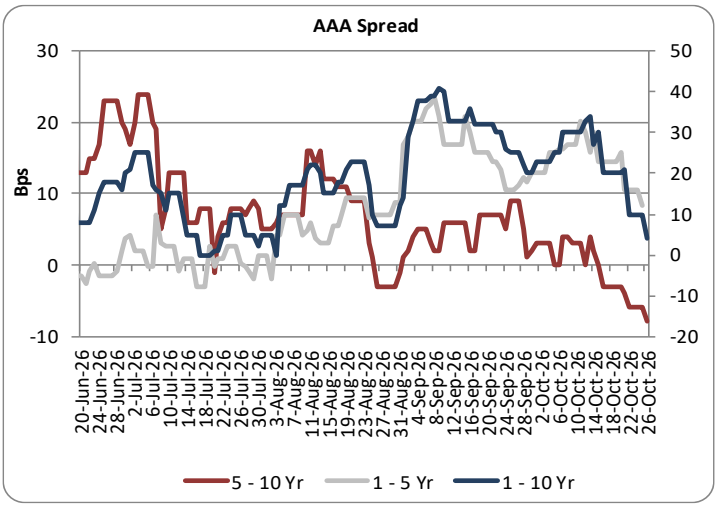

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.65
6.58
6.70
6.37
6.76
6.48
6.63
6.71
6.84
6.16
6.65
6.82
1 Year
2 Year
3 Year
5 Year
26-Oct-26
23-Oct-26
25-Sep-26

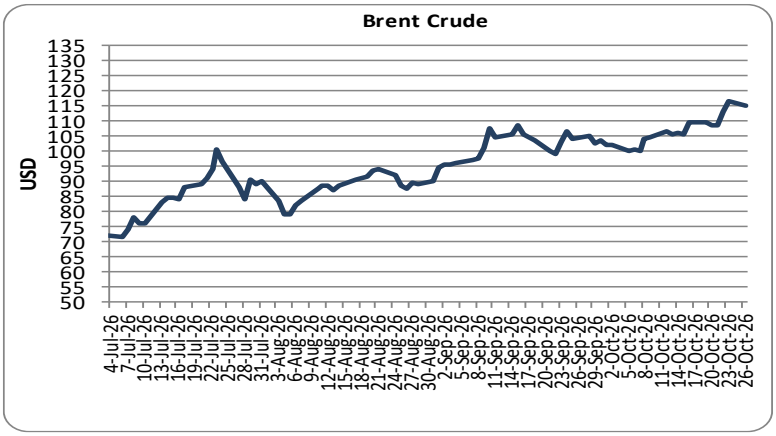

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
23-Jun-26
28-Jun-26
3-Jul-26
8-Jul-26
13-Jul-26
18-Jul-26
23-Jul-26
28-Jul-26
2-Aug-26
7-Aug-26
12-Aug-26
17-Aug-26
22-Aug-26
27-Aug-26
1-Sep-26
6-Sep-26
11-Sep-26
16-Sep-26
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16-Oct-26
21-Oct-26
26-Oct-26

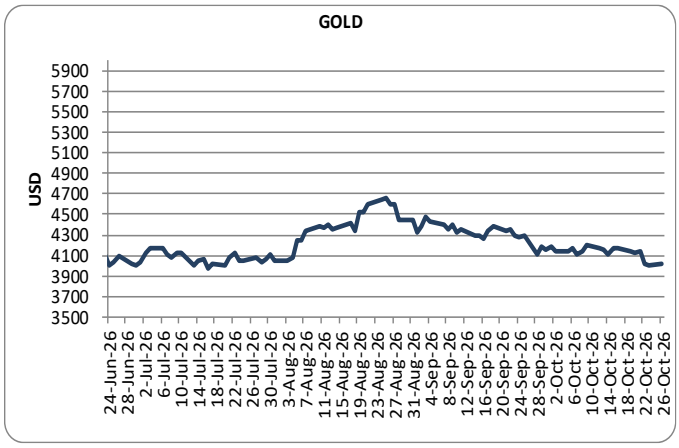

GOI Spread BPS
140
120
100
80
60
40
20
0
18-Aug-26
21-Aug-26
24-Aug-26
27-Aug-26
30-Aug-26
2-Sep-26
5-Sep-26
8-Sep-26
11-Sep-26
14-Sep-26
17-Sep-26
20-Sep-26
23-Sep-26
26-Sep-26
29-Sep-26
2-Oct-26
5-Oct-26
8-Oct-26
11-Oct-26
14-Oct-26
17-Oct-26
20-Oct-26
23-Oct-26
26-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10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


AAA Spread
Bps
30
20
10
0
-10
50
40
30
20
10
0
-10
-20
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
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15-Aug-26
19-Aug-26
23-Aug-26
27-Aug-26
31-Aug-26
4-Sep-26
8-Sep-26
12-Sep-26
16-Sep-26
20-Sep-26
24-Sep-26
28-Sep-26
2-Oct-26
6-Oct-26
10-Oct-26
14-Oct-26
18-Oct-26
22-Oct-26
26-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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