BONDWATCH

INDIA

Daily

27-10-2026

The benchmark 6.94 2036 bond yield closed at 7.4360% vs 7.4826% in the previous session.

India's 10-year yield fell nearly 5 bps to 7.4360%, its biggest drop since July 27 on value buying. It had briefly touched 7.50% before falling nearly 5 bps. OIS rates eased in line with G-sec yields with the 1Y OIS at 6.64% and 5Y at 6.8150%.

The rupee closed little changed at 95.1150 per dollar, Ex-RBI chief Rajan said India should not drain reserves to defend the rupee, which is down about 6% this year.

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

Brent rose 0.39% to $116.26 as hopes for talks in Tehran offset renewed Houthi attacks on Saudi Arabia, staying just below last week's six-month high above $117.

Globally, Japan's 10-year yield rose 1.5 bps to 2.795% as a rebound in AI shares cut demand for safe bonds. The US 10-year yield was flat at 4.988% ahead of the Fed decision, where futures price about a 90% chance of a hold. The dollar rose 0.16% to 157.73 yen and the euro fell 0.17% to $1.1154 as calmer AI stocks cut safe-haven demand ahead of this week's Fed, ECB and BOJ meetings.

Market Observations

G-sec

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 18,963crs worth of bonds against the notified amount of 23,300crs. GJ 2035, GJ 2038, JH 2033, KL 2040, SK 2030 did not get accepted while 9yr AS, 9yr NL accepted only partial amount of 606crs and 256crs in the primary auction. Highest cut-off came for 7.59 UP SDL 2042 at 8.2789 (93.99).

Size activity was visible in 30yr and 40yr maturity Gsec (7.63 2056, 7.71 2066) at 7.88 and 7.92 levels, to the combined tune of 600crs. Here, Insurance Companies, Foreign Banks, Mutual Funds and Pension Funds were active traders as both sellers and buyers.

Switches were visible in 40yr maturity Gsec (7.25 2063 vs 7.37 2064) at parity. This switch was predominantly dealt between Foreign Banks and Pension Funds.

Corp Bond

AAA rated PSU bond yields rose by 3-4 bps across the curve, with the benchmark indicative levels at 8.22% for the 1-year, 8.40% 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.

REC raised ₹4,000 crore via five-year bonds at 8.30%, its first above 8% borrowing in over seven years and 100 bps more than the 7.30% it paid in July.

CP/CD

CD rates remained more or less flattish across the curve with the 3M (Jan maturity) at 7.50% 6M (Apr maturity) at 7.90% and 1Y (Oct maturity) at 8.15%. Trading activity was concentrated in JFM and 2–3M segment.

GOI Yield	27-Oct	26-Oct	19-Oct	25-Sep
1 Year	6.49	6.48	6.53	6.08
5 Year	7.17	7.21	7.17	6.82
10 Year	7.44	7.48	7.39	7.12

AAA Bmk	27-Oct	26-Oct	19-Oct	25-Sep
1 Year	8.22	8.20	7.95	7.70
5 Year	8.40	8.32	8.18	7.86
10 Year	8.24	8.24	8.15	7.95

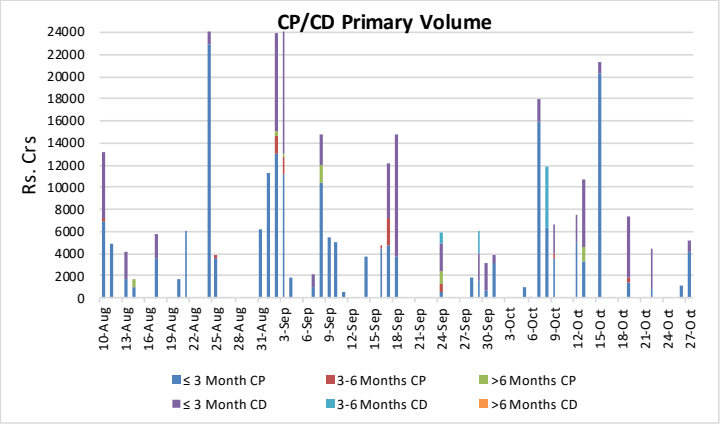
CD	27-Oct	26-Oct	19-Oct	25-Sep
3 Month	7.50	7.50	7.05	6.30
6 Month	7.90	7.85	7.45	6.85
1 Year	8.15	8.15	7.90	7.40

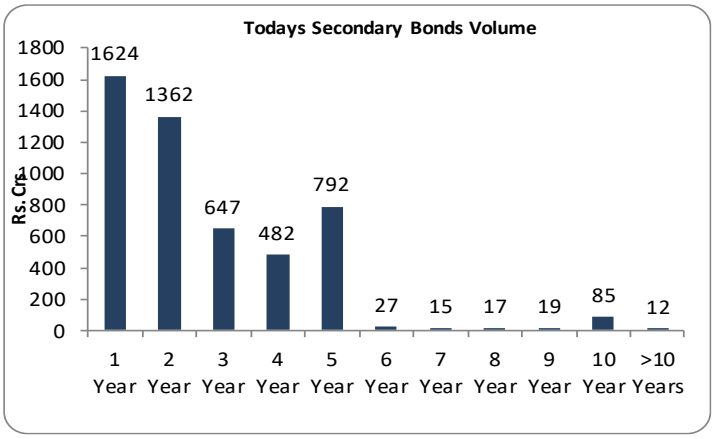
CP	27-Oct	26-Oct	19-Oct	25-Sep
3 Month	7.55	7.55	7.10	6.35
6 Month	7.95	7.90	7.50	6.90
1 Year	8.20	8.20	7.95	7.45

OIS Rate	27-Oct	26-Oct	19-Oct	25-Sep
1 Year	6.64	6.65	6.53	6.16
2 Year	6.68	6.70	6.60	6.37
3 Year	6.71	6.76	6.65	6.48
5 Year	6.82	6.84	6.78	6.63

	27-Oct	26-Oct	19-Oct	25-Sep
Sensex	73,599	73,607	73,853	73,896
Nifty	22,750	22,753	22,889	23,141
USD/INR	95.12	95.19	94.93	95.81
Gold (USD)	4,011	4,016	4,140	4,286
Oil (USD)	115.52	115.81	109.55	104.32

NDF	27-Oct	26-Oct	19-Oct	25-Sep
3 Month	96.31	96.46	96.27	96.70
1 Year	99.15	99.27	98.94	99.08
2 Year	102.32	102.33	101.84	101.75
3 Year	105.47	105.18	104.74	104.65





10 Year Benchmarks	27-Oct	26-Oct	19-Oct	25-Sep
India	7.46	7.49	7.39	7.12
US	4.97	4.99	5.14	5.18
South Korea	4.04	4.08	4.15	4.41
Brazil	15.44	15.44	13.10	14.12
Germany	3.34	3.36	3.45	3.62
China	1.63	1.61	1.68	1.68

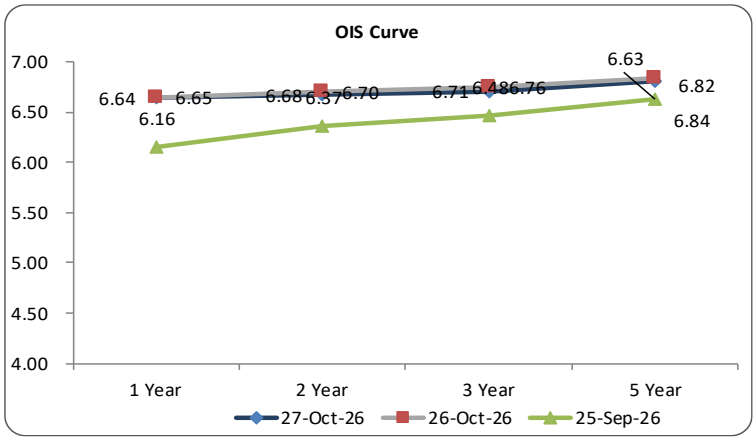
Top Traded Securities	Volume	27-Oct	26-Oct	19-Oct	25-Sep
6.75 2029	0	7.11	7.07	7.09	6.65
6.79 2034	0	7.51	7.48	7.40	7.11
6.33 2035	60	7.44	7.40	7.35	7.08
6.92 2039	25	7.57	7.55	7.45	7.14
7.09 2054	120	7.92	7.90	7.81	7.68
7.34 2064	25	7.95	7.99	7.84	7.68

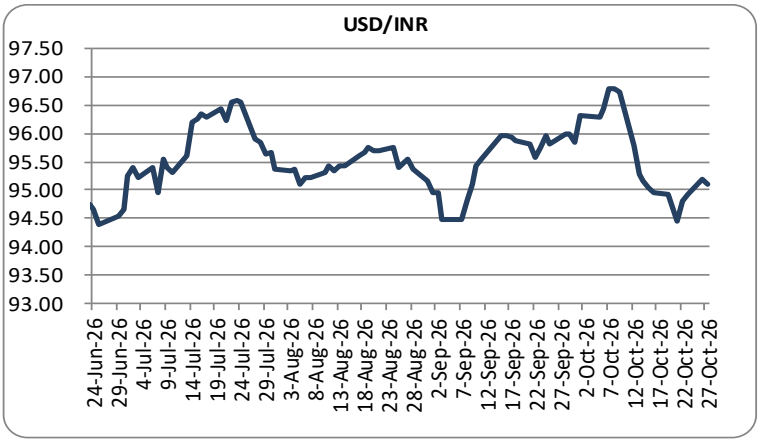
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
23-Oct-26	20,320	29,940	(9,620.30)	15,209	12,406	2,802.33	35,529	42,347	(6,817.97)

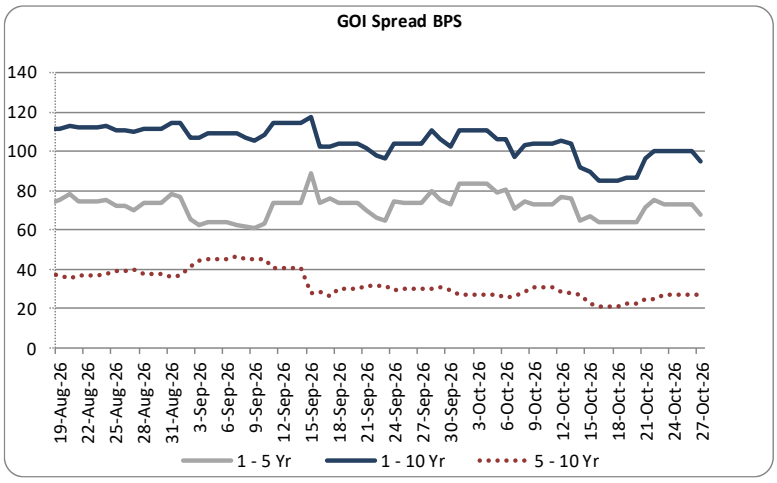
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
27-Oct-26	847	14	833.05	10094	11057	(963.56)	10940	11071	(130.51)

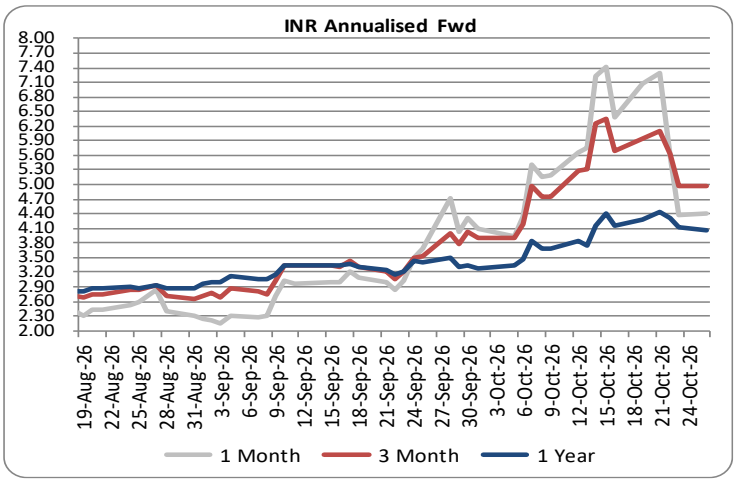
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

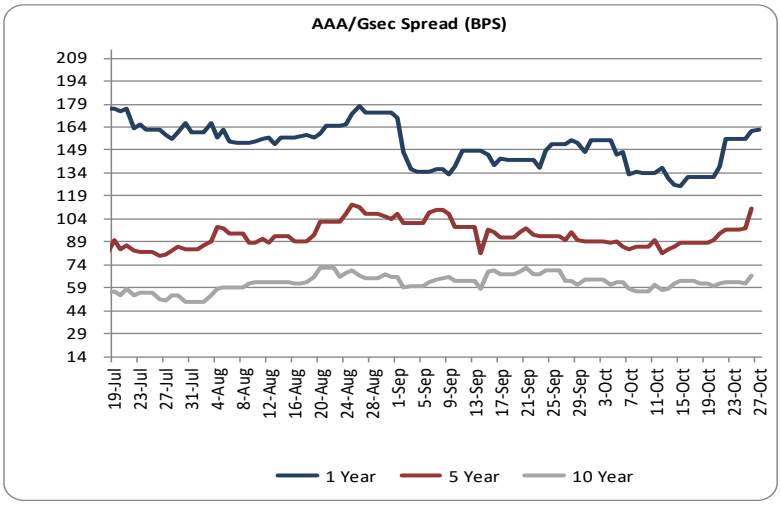
Economic Calender	Country	Date	Poll	Prior
CB Consumer Confidence (Oct)	US	27-Oct-26	80.5	81.9
New Home Sales (Sep)	US	27-Oct-26	652K	684K
Industrial Production (YoY) (Sep)	IN	28-Oct-26		8.0%
Autumn Forecast Statement	UK	28-Oct-26		
Crude Oil Inventories	US	28-Oct-26		-3.060M
Fed Interest Rate Decision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

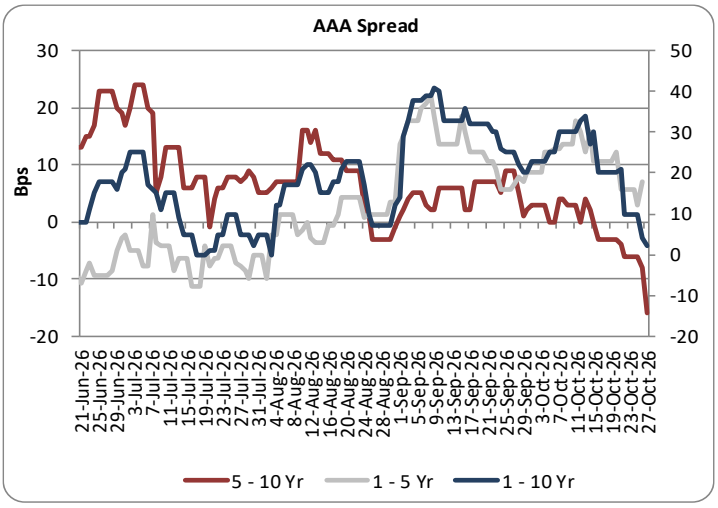

OIS Curve
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.64
6.65
6.68
6.70
6.71
6.76
6.63
6.82
6.16
6.84
1 Year
2 Year
3 Year
5 Year
27-Oct-26
26-Oct-26
25-Sep-26

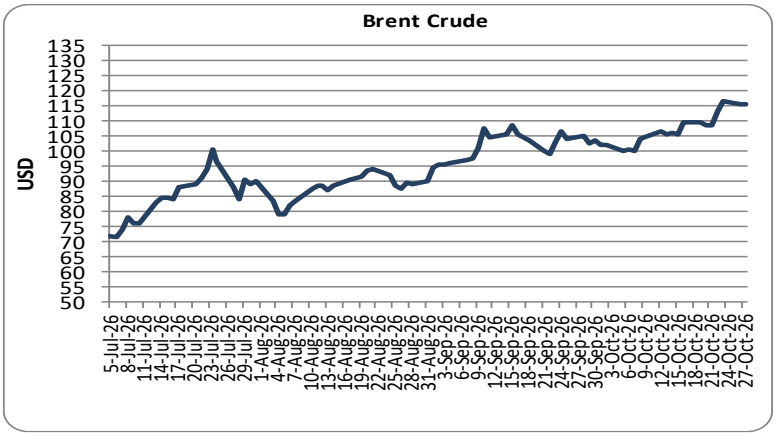

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
24-Jun-26
29-Jun-26
4-Jul-26
9-Jul-26
14-Jul-26
19-Jul-26
24-Jul-26
29-Jul-26
3-Aug-26
8-Aug-26
13-Aug-26
18-Aug-26
23-Aug-26
28-Aug-26
2-Sep-26
7-Sep-26
12-Sep-26
17-Sep-26
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17-Oct-26
22-Oct-26
27-Oct-26

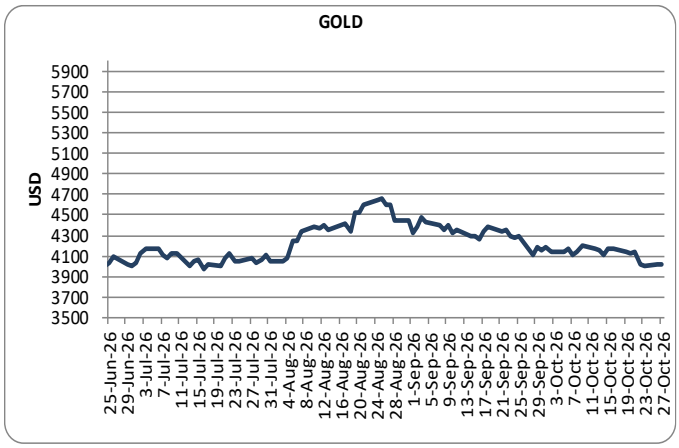

GOI Spread BPS
140
120
100
80
60
40
20
0
19-Aug-26
22-Aug-26
25-Aug-26
28-Aug-26
31-Aug-26
3-Sep-26
6-Sep-26
9-Sep-26
12-Sep-26
15-Sep-26
18-Sep-26
21-Sep-26
24-Sep-26
27-Sep-26
30-Sep-26
3-Oct-26
6-Oct-26
9-Oct-26
12-Oct-26
15-Oct-26
18-Oct-26
21-Oct-26
24-Oct-26
27-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10 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
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
9-Oct-26
12-Oct-26
15-Oct-26
18-Oct-26
21-Oct-26
24-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
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
27-Oct
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
-20
50
40
30
20
10
0
-10
-20
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
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4-Aug-26
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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
27-Oct-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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