BONDWATCH

Daily

INDIA

28-10-2026

The benchmark 6.94 2036 bond yield closed at 7.44% vs 7.4360% in the previous session.

India's 10-year bond yield reversed an early 5 bps rise to end flat at 7.4354% after failing to break 7.50% for a second straight day, while fresh supply concerns lifted oil prices, keeping price pressures in focus ahead of a slew of central bank decisions. OIS rates jumped pricing in 100-125 bps of rate hikes over the next 12 months, with the 1-year up 4.5 bps at 6.68%, and the 5-year up 6.25 bps at 6.8775%.

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

India's T-bill yields jumped 20-25 bps, with 91D, 182D and 364D cutoffs at 5.93%, 6.55% and 6.69% on tight liquidity and hike bets, taking the 364D spread over repo to 119 bps, the highest since Sep 2022.

Meanwhile, Brent rose 1.2% to $115.19 a barrel after the Houthis said they hit Saudi Arabia's biggest refinery, reviving Middle East supply concerns.

Globally, The Fed is expected to hold rates at 3.75%-4.00% today, with more hikes likely as inflation stays near 3%. Euro zone yields rose as Brent climbed, with German 10Y up 1.3 bps to 3.37% ahead of Thursday's ECB decision.

Market Observations

G-sec

T-Bill cut off came In-Line with market expectations, where cut-off for 3m came in at 5.9337%, 6m at 6.5493% and 1yr at 6.69%. Post cut-off, buying demand was visible in 3m maturity tbill (Jan 2027) at 5.93 centric levels, where Mutual Funds acted as buyers and Primary Dealers / Foreign Banks as sellers.

Switches were visible in 30yr maturity Gsec (7.09 2054 vs 7.24 2055) at 1.50bps, where 7.09 2054 traded higher. These switches were predominantly dealt between Insurance Companies and Foreign Banks to the tune of 500crs.

7yr and 10yr maturity SDLs (2033 and 2036) witnessed buying demand by Pension Funds, Primary Dealers and Private Banks at 8.05 and 8.09 levels, where Foreign Banks and Mutual Funds acted as sellers.

Corp Bond

AAA rated PSU bond yields remained more or less flattish across the curve, with the benchmark indicative levels at 8.22% for the 1-year, 8.40% for the 5-year and 8.26% for the 10-year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

CD rates rose for the 3M segment while remained flattish in other parts of the curve, with the 3M (Jan maturity) at 7.58% 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	28-Oct	27-Oct	21-Oct	28-Sep
1 Year	6.68	6.49	6.48	6.08
5 Year	7.20	7.17	7.19	6.88
10 Year	7.44	7.44	7.44	7.18

AAA Bmk	28-Oct	27-Oct	21-Oct	28-Sep
1 Year	8.22	8.22	7.97	7.73
5 Year	8.40	8.40	8.22	7.90
10 Year	8.26	8.24	8.18	7.95

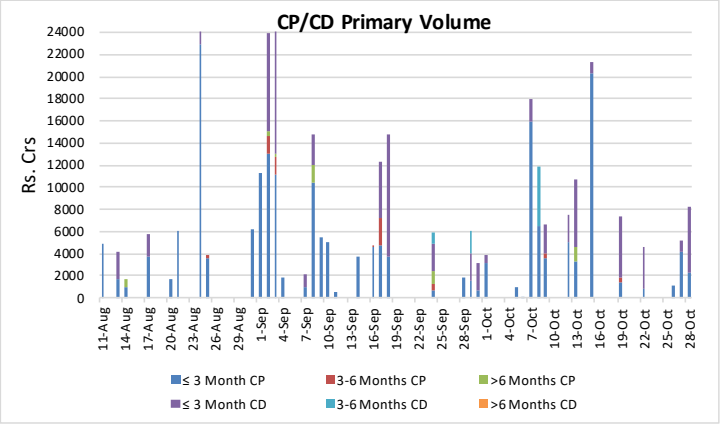
CD	28-Oct	27-Oct	21-Oct	28-Sep
3 Month	7.58	7.50	7.38	6.30
6 Month	7.90	7.90	7.70	6.85
1 Year	8.15	8.15	8.00	7.40

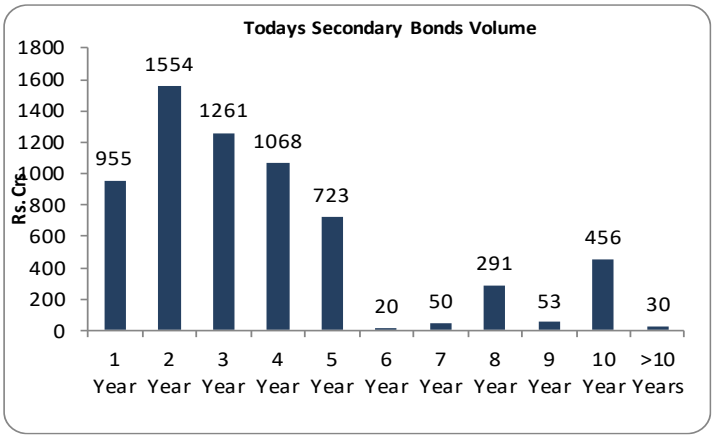
CP	28-Oct	27-Oct	21-Oct	28-Sep
3 Month	7.63	7.55	7.43	6.35
6 Month	7.95	7.95	7.75	6.90
1 Year	8.20	8.20	8.05	7.45

OIS Rate	28-Oct	27-Oct	21-Oct	28-Sep
1 Year	6.68	6.64	6.59	6.24
2 Year	6.74	6.68	6.66	6.45
3 Year	6.79	6.71	6.73	6.56
5 Year	6.88	6.82	6.84	6.72

	28-Oct	27-Oct	21-Oct	28-Sep
Sensex	73,138	73,599	73,710	72,772
Nifty	22,661	22,750	22,811	22,780
USD/INR	95.18	95.12	94.46	95.98
Gold (USD)	4,033	4,058	4,140	4,114
Oil (USD)	116.05	113.88	108.82	105.28

NDF	28-Oct	27-Oct	21-Oct	28-Sep
3 Month	96.43	96.34	95.98	96.93
1 Year	99.43	99.16	98.72	99.31
2 Year	102.50	102.25	101.61	101.96
3 Year	105.35	105.10	104.51	104.86





10 Year Benchmarks	28-Oct	27-Oct	21-Oct	28-Sep
India	7.47	7.44	7.44	7.19
US	5.03	4.99	5.15	5.24
South Korea	4.11	4.04	4.17	4.54
Brazil	15.03	15.03	13.03	14.18
Germany	3.36	3.36	3.42	3.64
China	1.62	1.63	1.64	1.69

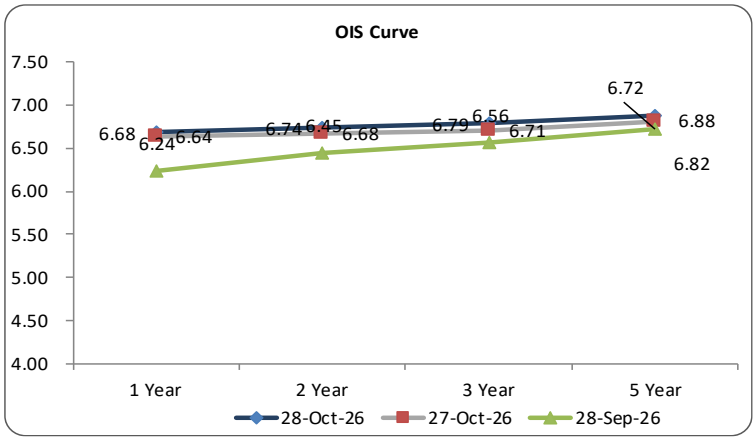
Top Traded Securities	Volume	28-Oct	27-Oct	21-Oct	28-Sep
6.75 2029	#VALUE!	#N/A	7.10	7.15	6.73
6.79 2034	#VALUE!	#N/A	7.51	7.40	7.17
6.33 2035	#VALUE!	#N/A	7.36	7.40	7.14
6.92 2039	#VALUE!	#N/A	7.56	7.45	7.28
7.09 2054	#VALUE!	7.97	7.91	7.80	7.69
7.34 2064	#VALUE!	7.95	7.92	7.87	7.77

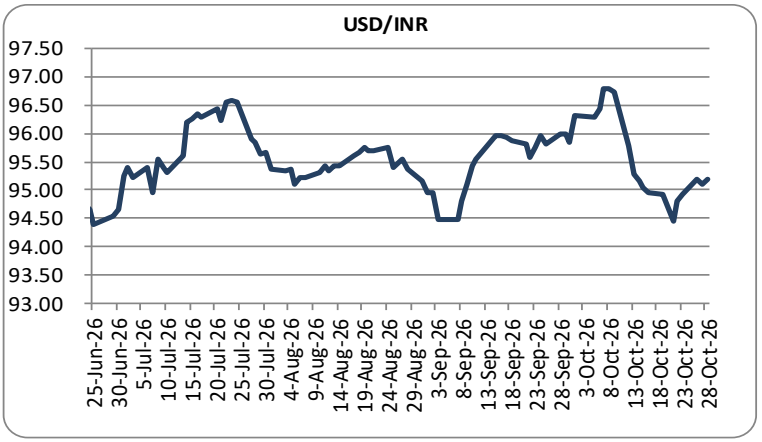
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
23-Oct-26	20,320	29,940	(9,620.30)	15,209	12,406	2,802.33	35,529	42,347	(6,817.97)

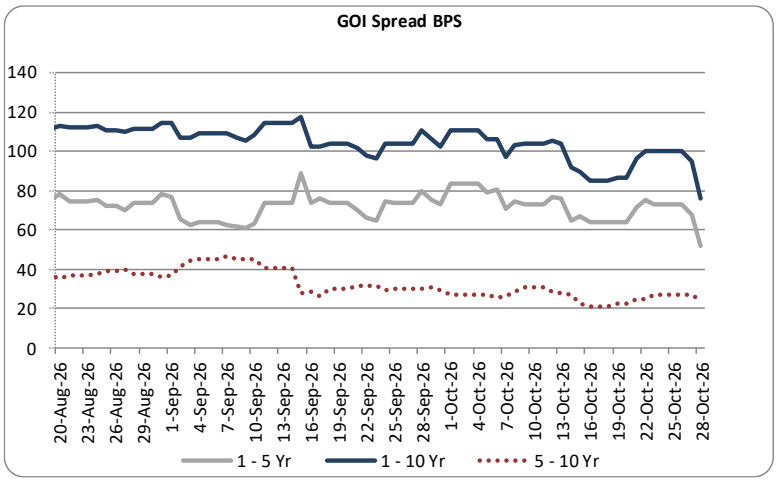
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
28-Oct-26	1838	1167	670.80	30869	20285	10,583.90	32707	21452	11,254.70

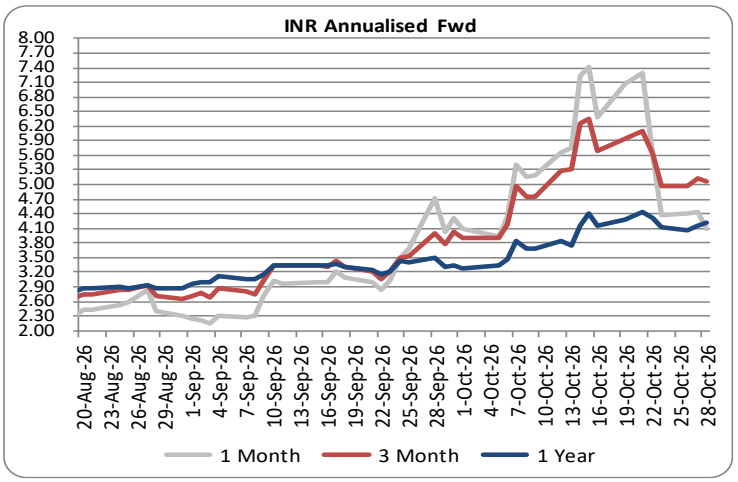
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Aug-26	8.00	7.40
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

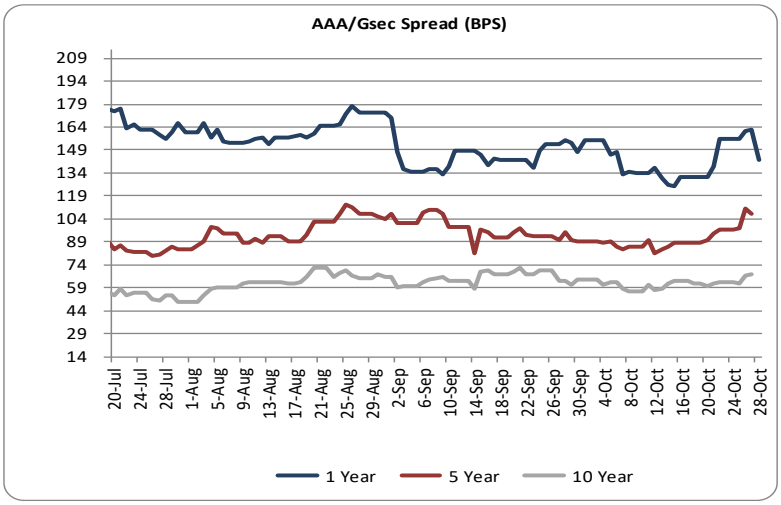
Economic Calender	Country	Date	Poll	Prior
Autumn Forecast Statement	UK	28-Oct-26		
Crude Oil Inventories	US	28-Oct-26		-3.060M
Fed Interest Rate Decision	US	28-Oct-26	4.00%	4.00%
FOMC Statement	US	28-Oct-26		
FOMC Press Conference	US	29-Oct-26		
Core PCE Price Index (MoM) (Sep)	US	29-Oct-26	0.3%	0.2%
Core PCE Price Index (YoY) (Sep)	US	29-Oct-26		3.0%
GDP (QoQ) (Q3) P	US	29-Oct-26	3.0%	2.2%

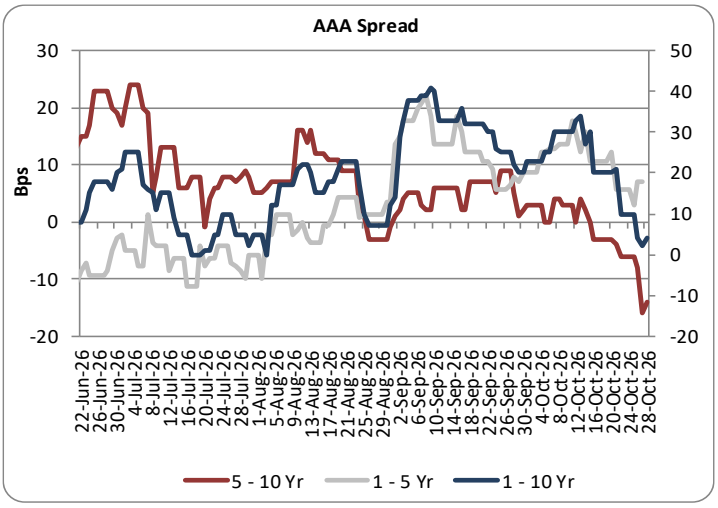

OIS Curve
7.50
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.68
6.24
6.64
6.74
6.45
6.68
6.79
6.56
6.71
6.72
6.88
6.82
1 Year
2 Year
3 Year
5 Year
28-Oct-26
27-Oct-26
28-Sep-26

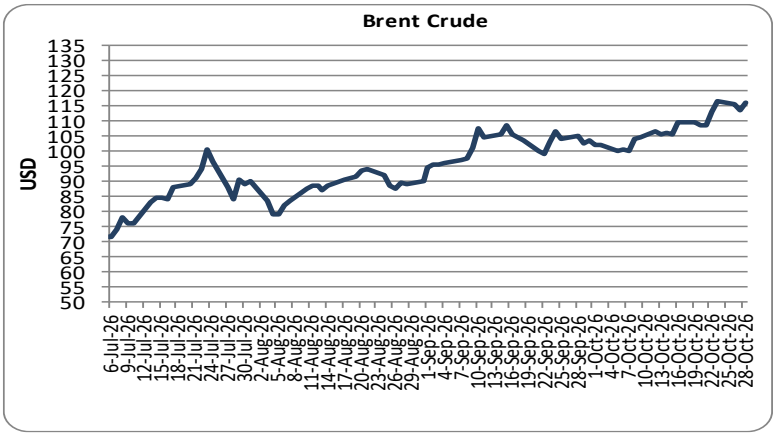

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
25-Jun-26
30-Jun-26
5-Jul-26
10-Jul-26
15-Jul-26
20-Jul-26
25-Jul-26
30-Jul-26
4-Aug-26
9-Aug-26
14-Aug-26
19-Aug-26
24-Aug-26
29-Aug-26
3-Sep-26
8-Sep-26
13-Sep-26
18-Sep-26
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18-Oct-26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

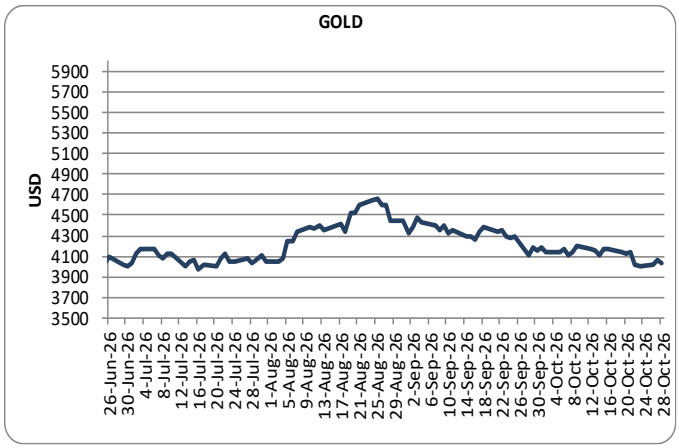

GOI Spread BPS
140
120
100
80
60
40
20
0
20-Aug-26
23-Aug-26
26-Aug-26
29-Aug-26
1-Sep-26
4-Sep-26
7-Sep-26
10-Sep-26
13-Sep-26
16-Sep-26
19-Sep-26
22-Sep-26
25-Sep-26
28-Sep-26
1-Oct-26
4-Oct-26
7-Oct-26
10-Oct-26
13-Oct-26
16-Oct-26
19-Oct-26
22-Oct-26
25-Oct-26
28-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10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


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





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