BONDWATCH

INDIA

Daily

30-10-2026

The benchmark 6.94 2036 bond yield closed at 7.4139% vs 7.3902% in the previous session.

Benchmark 10Y G-Sec rose 22.5 bps in October to close at 7.41%, a fourth straight monthly rise, as a ~14% rise in Brent fanned inflation worries. The RBI's hike to 5.50%, tight system liquidity from FX intervention and OMO sales, and persistent FPI selling kept bond yields under pressure. Front-end OIS saw its sharpest monthly paying of FY27 on rising RBI tightening bets, with the 1Y up 51 bps to 6.72%, and the 5Y up 21 bps to 6.86%. Rupee closed at 94.95/$, up ~1% in October, on RBI steps to curb dollar demand.

Earlier this month, RBI raised the repo rate by 25 bps to 5.5%, its first hike in nearly 4 years, and shifted to a "calibrated tightening" stance, while raising its FY27 CPI forecast to 5.2% and GDP to 7.1%.

For the week, the 10Y eased by 6bps on a US Treasury rally after a less hawkish Fed coupled with value buying after the 10-year twice failed to break 7.50%. The G-Sec curve flattened this week, as short-end yields rose 5-17 bps on tight liquidity and rate-hike bets, while 2031-2035 papers eased 2-8 bps, the 10Y 2036 eased 6 bps to 7.41% and the 2040-2076 segment eased 1-4 bps.

Market Observations

G-sec

Gsec cut-off came In-Line with market expectations, where cut off for 6.20% GS 2029 came in at 97.69 (7.1218%), 6.57% GS 2033 at 95.71 (7.3818%), 7.63% GS 2056 at 97.51 (7.8459%) and 7.50% GOI SGRB 2056 at 96.23 (7.8292%). RBI received competitive bids for a total stipulated amount of 79,401crs vs the notified amount of 33,000crs.

3yr maturity SDLs (2029) witnessed buying demand by Mutual Funds at 7.70 centric levels, where Pension Funds acted as sellers.

20 to 25yr maturity SDLs (2046 / 2051) witnessed buying demand by Insurance Companies, Private Banks at 8.17 levels, where Mutual Funds acted as major sellers.

Switches were visible in 40yr maturity Gsec (6.90 2065 vs 7.71 2066) at 1.50bps, where 6.90 2065 traded higher. This switch was dealt between Foreign Banks and Primary Dealers to the tune of 400crs.

Corp Bond

Over the week, AAA rated PSU bond yields rose for the 1Y segment while remained flattish in other parts of the curve, with the benchmark indicative levels at 8.30% for the 1-year, 8.30% 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

Liquidity in the banking system remained under strain this week, the surplus slipped from ₹39,422 crore on 23 October to a low of ₹13,453 crore on 28 October, then recovered only partly to ₹30,454 crore on 29 October. Overnight rates stayed high as a result, Over the week, CD rates rose at the shorter end while remained flattish at the longer end, with the 3M (Jan maturity) at 7.56% 6M (Apr maturity) at 7.92% and 1Y (Oct maturity) at 8.17%. Trading activity was concentrated in JFM and 2–3M segment.

GOI Yield	30-Oct	29-Oct	23-Oct	30-Sep
1 Year	6.65	6.65	6.47	6.16
5 Year	7.19	7.17	7.20	6.89
10 Year	7.41	7.39	7.47	7.19

AAA Bmk	30-Oct	29-Oct	23-Oct	30-Sep
1 Year	8.30	8.22	8.14	7.73
5 Year	8.30	8.32	8.30	7.91
10 Year	8.26	8.26	8.24	7.93

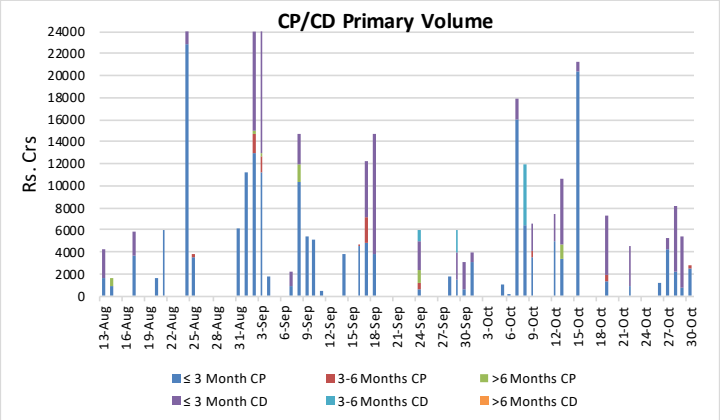
CD	30-Oct	29-Oct	23-Oct	30-Sep
3 Month	7.56	7.58	7.50	6.25
6 Month	7.92	7.90	7.80	6.83
1 Year	8.17	8.15	8.15	7.42

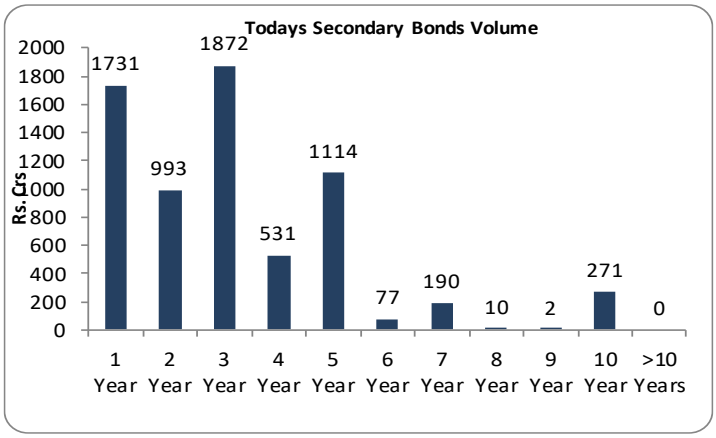
CP	30-Oct	29-Oct	23-Oct	30-Sep
3 Month	7.61	7.63	7.55	6.30
6 Month	7.97	7.95	7.85	6.88
1 Year	8.22	8.20	8.20	7.47

OIS Rate	30-Oct	29-Oct	23-Oct	30-Sep
1 Year	6.72	6.68	6.58	6.21
2 Year	6.74	6.73	6.65	6.41
3 Year	6.77	6.77	6.71	6.50
5 Year	6.86	6.85	6.82	6.65

	30-Oct	29-Oct	23-Oct	30-Sep
Sensex	74,460	74,151	73,124	72,480
Nifty	23,053	22,937	22,600	22,620
USD/INR	94.95	95.26	94.94	95.83
Gold (USD)	3,955	4,020	3,996	4,156
Oil (USD)	117.14	114.88	116.72	103.53

NDF	30-Oct	29-Oct	23-Oct	30-Sep
3 Month	96.23	96.42	96.34	96.96
1 Year	99.20	99.31	99.13	99.21
2 Year	102.48	102.46	102.16	101.90
3 Year	105.33	105.31	105.06	104.80





10 Year Benchmarks	30-Oct	29-Oct	23-Oct	30-Sep
India	7.41	7.39	7.48	7.19
US	4.94	4.99	4.99	5.29
South Korea	4.01	4.10	4.10	4.40
Brazil	15.48	15.48	12.99	14.16
Germany	3.34	3.36	3.34	3.58
China	1.63	1.61	1.62	1.68

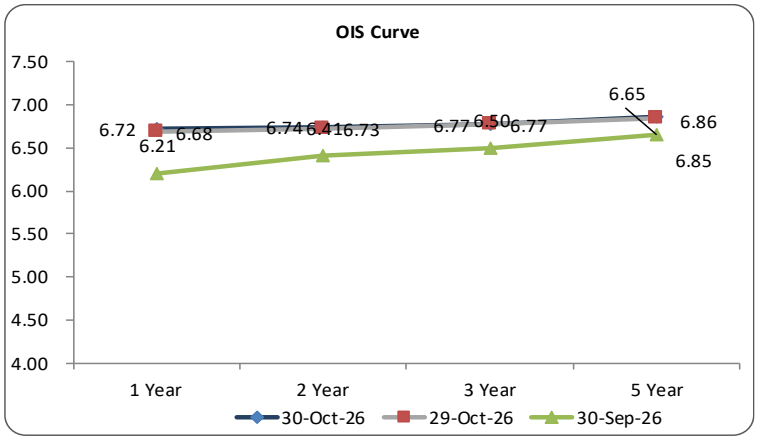
Top Traded Securities	Volume	30-Oct	29-Oct	23-Oct	30-Sep
6.75 2029	0	#N/A	7.13	7.23	6.80
6.79 2034	80	7.46	7.43	7.40	7.19
6.33 2035	30	7.39	7.44	7.41	7.11
6.92 2039	5	7.47	7.51	7.56	7.31
7.09 2054	0	#N/A	7.87	7.89	7.68
7.34 2064	80	#N/A	7.89	7.93	7.74

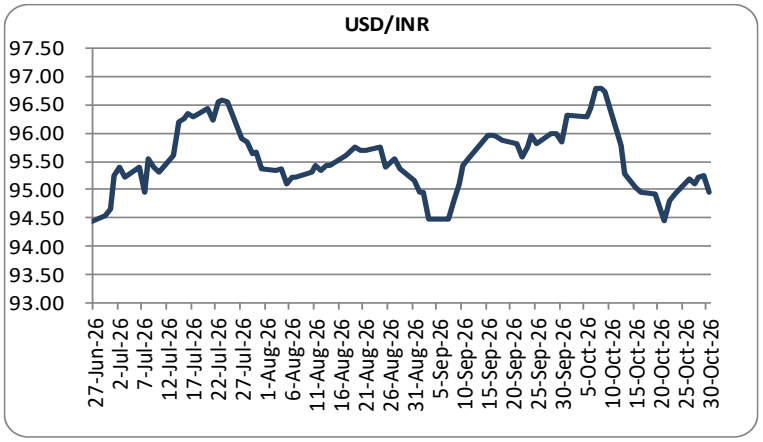
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
23-Oct-26	20,320	29,940	(9,620.30)	15,209	12,406	2,802.33	35,529	42,347	(6,817.97)

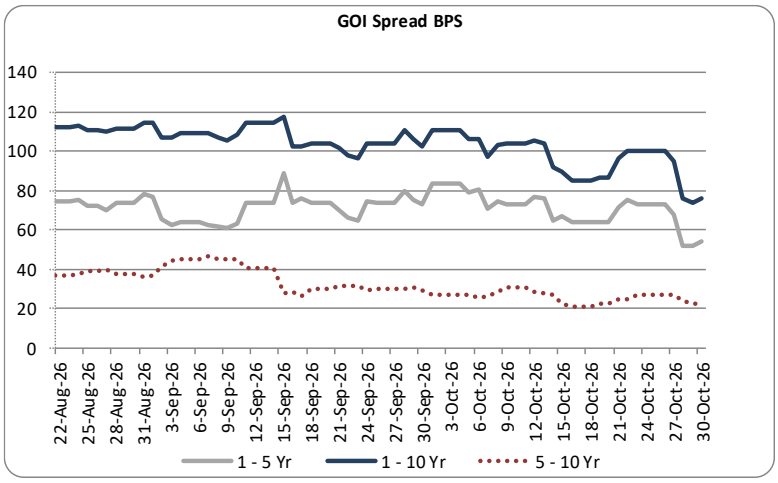
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
30-Oct-26	261	286	(24.55)	13636	14439	(802.91)	13897	14725	(827.46)

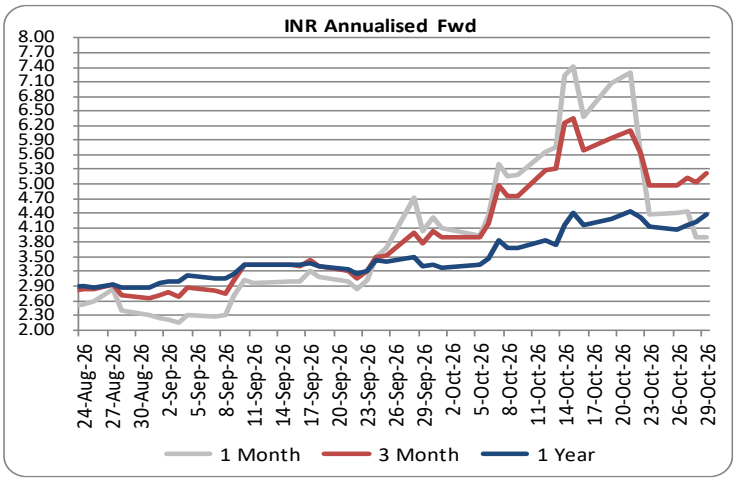
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	8.60
CAD ($ Bn)	Jun-26	(4.20)	6.50
Trade Deficit ($ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Sep-26	11.39	9.92
CPI (%)	Sep-26	5.54	4.82
IIP (%)	Sep-26	6.70	7.80
PMI Manufacturing	Sep-26	55.10	52.80
PMI Service	Sep-26	55.20	54.10

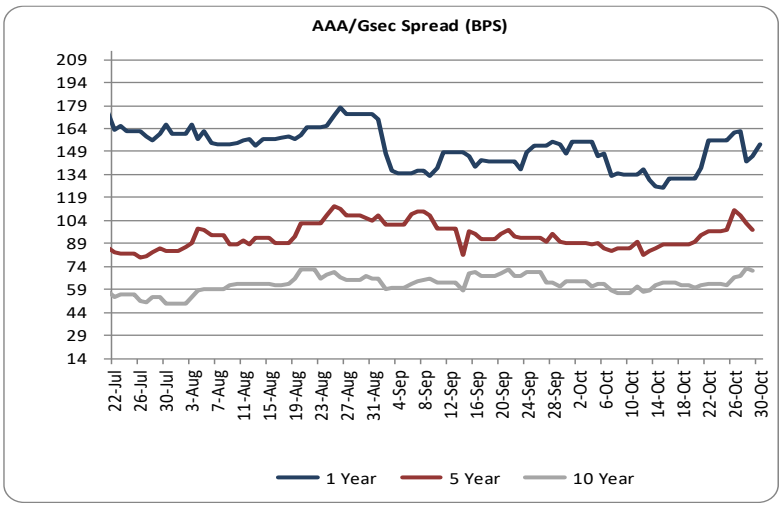
Economic Calender	Country	Date	Poll	Prior
S&P Global Manufacturing PMI (Oct)	IN	02-Nov-26	54.9	55.1
S&P Global Manufacturing PMI (Oct)	US	02-Nov-26		56.0
ISM Manufacturing PMI (Oct)	US	02-Nov-26		54.5
Japan - Culture Day (Holiday)	JP	03-Nov-26		
S&P Global Manufacturing PMI (Oct)	US	03-Nov-26	56.0	55.9
JOLTS Job Openings (Sep)	US	03-Nov-26		7.079M
S&P Global Services PMI (Oct)	IN	04-Nov-26	56.2	55.2
CPI (YoY) (Oct) P	EU	04-Nov-26		3.8%

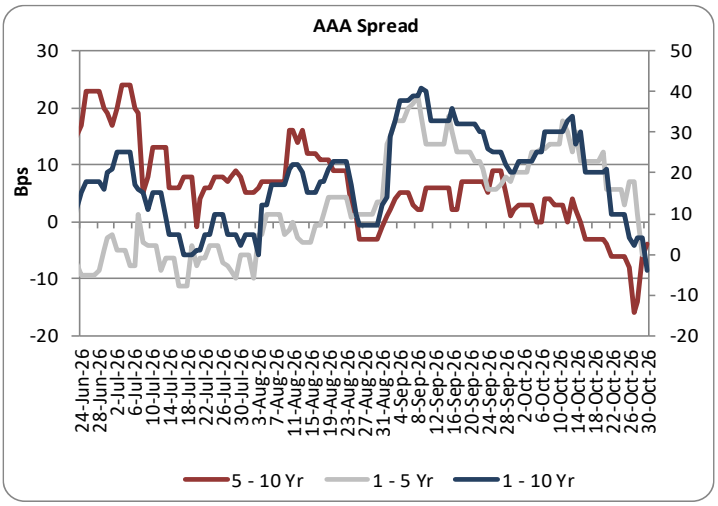

OIS Curve
7.50
7.00
6.50
6.00
5.50
5.00
4.50
4.00
6.72
6.68
6.74
6.41
6.73
6.77
6.50
6.77
6.65
6.86
6.21
6.85
1 Year
2 Year
3 Year
5 Year
30-Oct-26
29-Oct-26
30-Sep-26

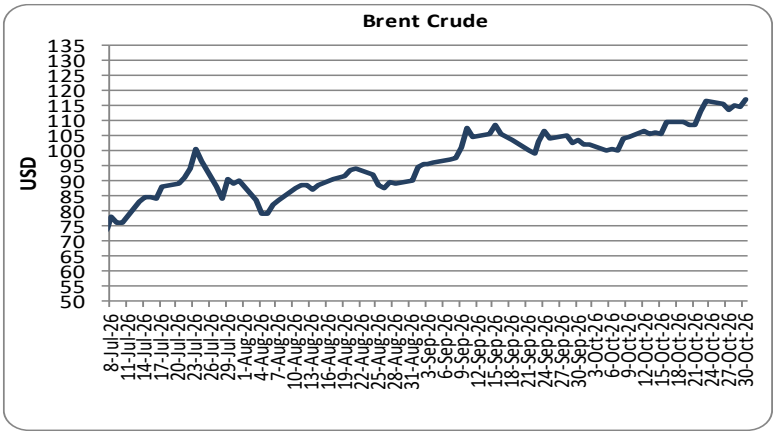

USD/INR
97.50
97.00
96.50
96.00
95.50
95.00
94.50
94.00
93.50
93.00
27-Jun-26
2-Jul-26
7-Jul-26
12-Jul-26
17-Jul-26
22-Jul-26
27-Jul-26
1-Aug-26
6-Aug-26
11-Aug-26
16-Aug-26
21-Aug-26
26-Aug-26
31-Aug-26
5-Sep-26
10-Sep-26
15-Sep-26
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25-Oct-26
30-Oct-26

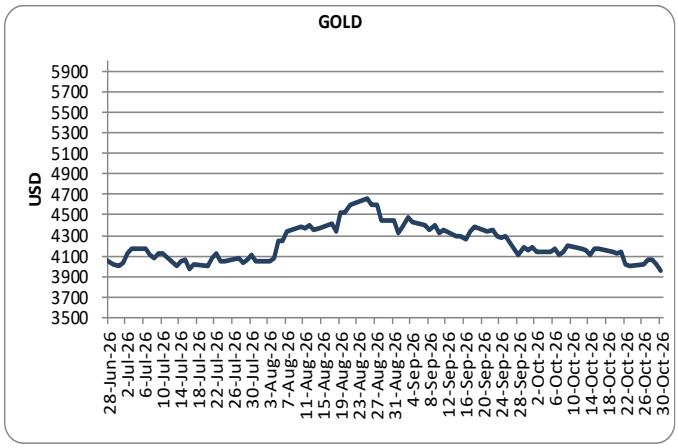

GOI Spread BPS
140
120
100
80
60
40
20
0
22-Aug-26
25-Aug-26
28-Aug-26
31-Aug-26
3-Sep-26
6-Sep-26
9-Sep-26
12-Sep-26
15-Sep-26
18-Sep-26
21-Sep-26
24-Sep-26
27-Sep-26
30-Sep-26
3-Oct-26
6-Oct-26
9-Oct-26
12-Oct-26
15-Oct-26
18-Oct-26
21-Oct-26
24-Oct-26
27-Oct-26
30-Oct-26
1 - 5 Yr
1 - 10 Yr
5 - 10 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
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
29-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
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
30-Oct
1 Year
5 Year
10 Year


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





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