



The Indian 10 year benchmark government bond (6.48 2035) yield ended at 6.6137% after closing at 6.6331% on Monday after states successfully raised ₹30,100 crore in today's SDL auctions with cutoffs largely in line with market expectations. States are set to raise a record ₹4, 99,821 crore through bond sales in the January-March quarter, their biggest quarterly borrowing on record which also led to upward bias in yields on Monday.

India's overnight index swap rates eased on Tuesday, The one-year OIS inched lower to 5.4775%, while the two-year OIS rate fell 1 bp to 5.5750%. The five-year OIS rate was down 2.25 bps at 5.9525%. The Rupee ended at 90.1650 per U.S. dollar, up 0.1% from previous close.

India's auto retail sales rose 15% YoY in December with cars up 26.6% on festive demand and discounts, and two-wheelers gaining 9.5% as tax cut fuels demand as per FADA, while India's services sector growth slowed to 11-month low of 58 in December PMI from 59.8 in November.

Globally, U.S. yields eased on Monday as traders focus on upcoming U.S. jobs report for economic insights and likely pathway of Federal Reserve policy. The yield on 10-year Treasury eased 2.6 bps to 4.163%. The two-year was down 2.2 bps at 3.455%. Euro zone bond yields eased on Tuesday with the Germany's 10 year yield down 2bps at 2.86%.

Market Observations

G-sec

- SDL auction cutoffs aligned with market expectations, allowing states to raise the notified ₹30,100 crore in bonds. For instance, the 10-year 7.42% TN cutoff came in at the expected 7.4844%, while the 30-year TN cutoff came in at 7.58% versus the expected range of 7.59-7.60%.
- Mutual funds seen reducing portfolio duration by buying 29 year maturity Gsec against 48 year. Size switch reported in 7.24 GOI 2055 vs 7.09 GOI 2074 at 7 bps between mutual fund and foreign bank. 7.24 GOI 2055 reported at 7.3350 and 7.09 GOI 2074 reported at 7.4050.

Corp Bond

- Trading volumes were primarily concentrated in the longer end segment, followed by the short-term money market yield (MMY) and the medium-term segments. Yields were more or less flattish today, AAA-rated PSU Indicative bond yields stood at 6.93% for 1 year, 6.99% for 3 years, 7.08% for 5 years, and 7.32% for 10 years. Pension funds led participation in the 5-year tenor, with limited FPI selling observed.

CP/CD

- Yields were more or less flattish with the 3-month CD at 6.30%, the 6-month CD at 6.45% and the 12-month CD at 6.78%. Trading activity was concentrated primarily in the January-March maturities.

GOI Yield	6-Jan	5-Jan	29-Dec	5-Dec
1 Year	5.51	5.51	5.52	5.45
5 Year	6.34	6.37	6.34	6.18
10 Year	6.61	6.64	6.59	6.52

AAA Bmk	6-Jan	5-Jan	29-Dec	5-Dec
1 Year	6.93	6.89	6.86	6.60
5 Year	7.08	7.08	7.07	6.86
10 Year	7.32	7.35	7.28	7.16

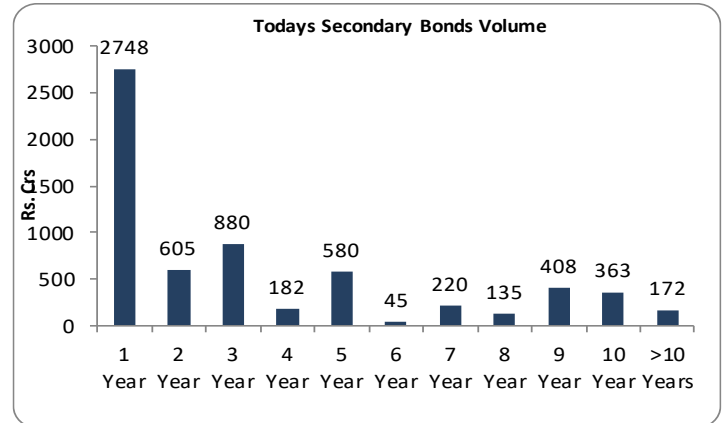
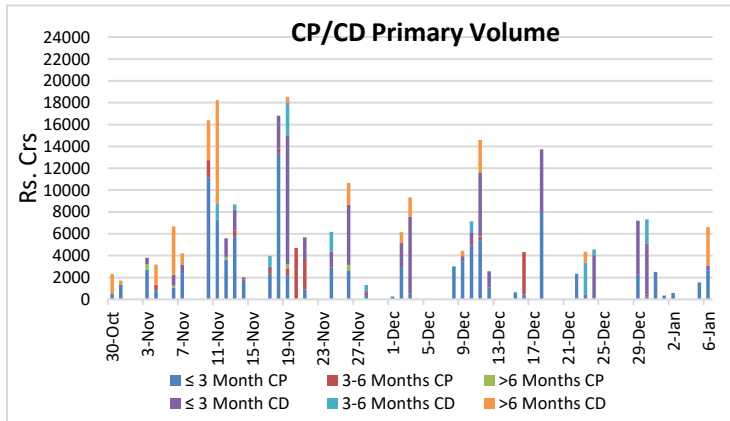
CD	6-Jan	5-Jan	29-Dec	5-Dec
3 Month	6.30	6.30	6.05	5.90
6 Month	6.45	6.45	6.45	6.23
1 Year	6.78	6.75	6.70	6.45

CP	6-Jan	5-Jan	29-Dec	5-Dec
3 Month	6.35	6.35	6.10	5.95
6 Month	6.50	6.50	6.50	6.28
1 Year	6.83	6.80	6.75	6.50

OIS Rate	6-Jan	5-Jan	29-Dec	5-Dec
1 Year	5.48	5.49	5.48	5.43
2 Year	5.58	5.59	5.58	5.48
3 Year	5.75	5.77	5.74	5.59
5 Year	5.95	5.98	5.94	5.80

	6-Jan	5-Jan	29-Dec	5-Dec
Sensex	85,063	85,440	84,696	85,712
Nifty	26,179	26,250	25,942	26,186
USD/INR	90.17	90.28	89.98	89.98
Gold (USD)	4,463	4,448	4,332	4,197
Oil (USD)	62.09	61.76	61.94	63.75

NDF	6-Jan	5-Jan	29-Dec	5-Dec
3 Month	90.88	90.95	90.71	90.54
1 Year	92.63	92.73	92.42	92.29
2 Year	95.81	95.90	95.56	95.07
3 Year	98.23	98.35	98.08	97.88



10 Year Benchmarks	6-Jan	5-Jan	29-Dec	5-Dec
India	6.62	6.63	6.59	6.52
US	4.18	4.16	4.12	4.14
South Korea	3.40	3.39	3.35	3.38
Brazil	13.60	13.60	13.86	13.58
Germany	2.85	2.87	2.83	2.80
China	1.89	1.87	1.87	1.86

Top Traded Securities	Volume	6-Jan	5-Jan	29-Dec	5-Dec
6.75 2029	5	6.21	6.20	6.19	6.11
6.79 2034	165	6.69	6.67	6.64	6.54
6.33 2035	3400	6.60	6.63	6.65	6.52
6.92 2039	0	#N/A	6.97	6.99	6.85
7.09 2054	25	7.35	7.32	7.29	7.30
7.34 2064	20	7.42	7.37	7.37	7.41

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
2-Jan-26	10,807	11,756	(948.36)

EQUITY		
Gross Purchase	Gross Sales	Net Investment
10,992	11,558	(565.40)

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
21,800	23,314	(1,513.76)

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
6-Jan-26	1069	1418	(349.24)

EQUITY		
Gross Purchase	Gross Sales	Net Investment
12335	11598	737.37

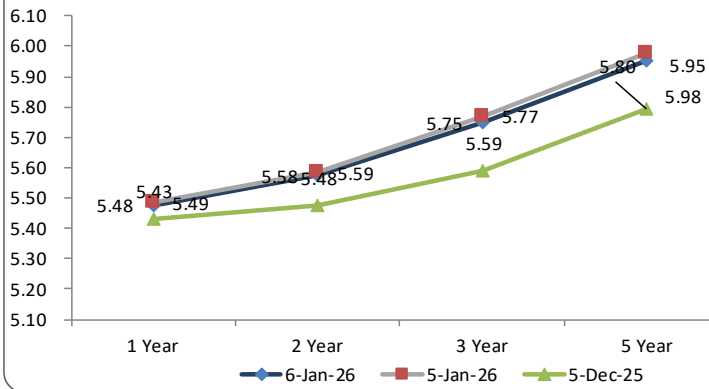
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
13404	13016	388.13

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-25	8.20	7.80
CAD (\$ Bn)	Sep-25	(12.30)	(2.70)
Trade Deficit (\$ Bn)	Jun-25	(87.40)	(59.30)
WPI (%)	Nov-25	(0.32)	(1.21)
CPI (%)	Nov-25	0.71	0.25
IIP (%)	Nov-25	6.70	0.50
PMI Manufacturing	Dec-25	55.00	56.60
PMI Service	Dec-25	58.00	59.80

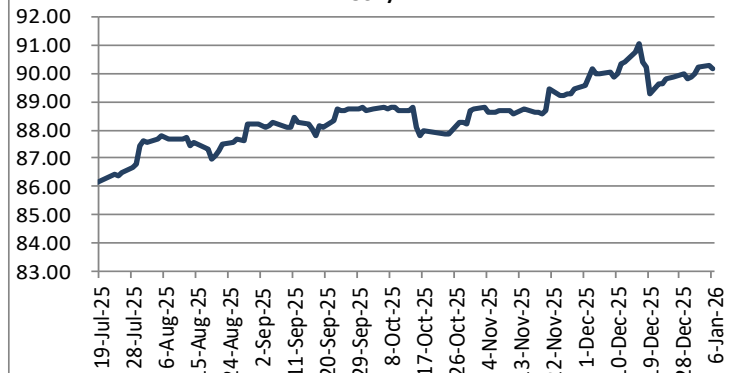
Economic Calender	Country	Date	Poll	Prior
S&P Global Services PMI (Dec)	U.S.	06-Jan-26	52.9	54.1
CPI (YoY) (Dec)	EU	07-Jan-26	2.1	2.1
ADP Nonfarm Employment Change (Dec)	U.S.	07-Jan-26	47K	(32)K
ISM Non-Manufacturing PMI (Dec)	U.S.	07-Jan-26	52.2	52.6
JOLTS Job Openings (Nov)	U.S.	07-Jan-26	7.65	7.67
Crude Oil Inventories	U.S.	07-Jan-26		(1.934)M
Initial Jobless Claims	U.S.	08-Jan-26	216K	199K



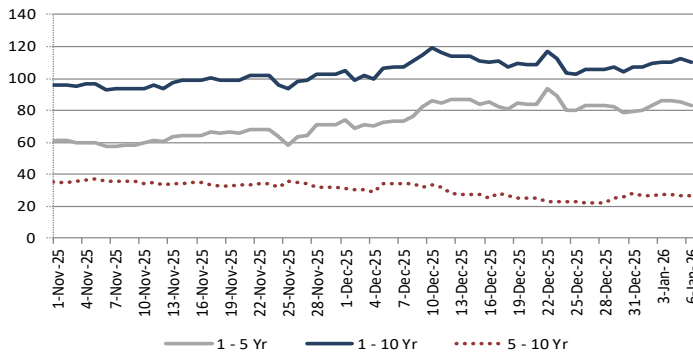
OIS Curve



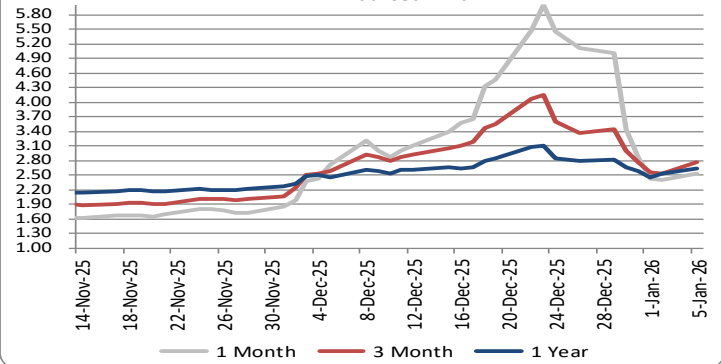
USD/INR



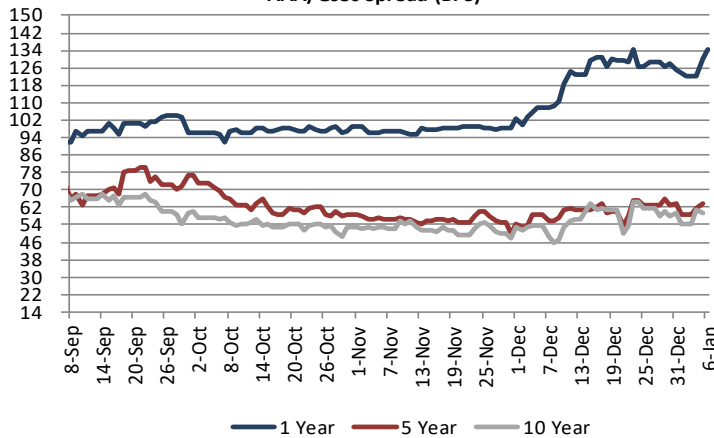
GOI Spread BPS



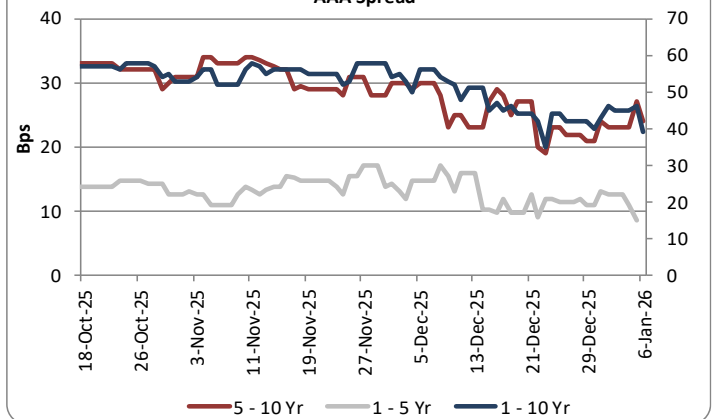
INR Annualised Fwd

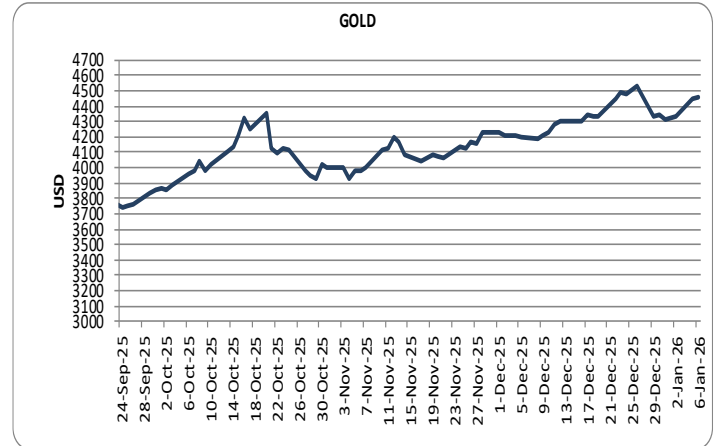
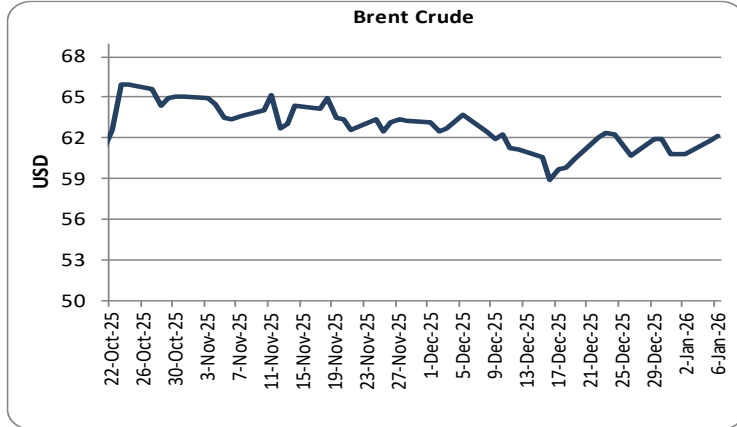


AAA/Gsec Spread (BPS)



AAA Spread





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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