



The Indian 10 year benchmark government bond (6.48 2035) yield ended at 6.6328% after closing at 6.6678% on Monday. The 10 year benchmark yield had risen to 6.6995% earlier in the day, highest level since March 17 on concerns over excess supply coupled with reduced expectations of future rate cut. While RBI's announcement of OMO purchases and FX swap today will help ease concerns.

OIS rates closed marginally lower, the one-year rate ended at 5.495%, while the two-year swap rate closed at 5.5775%. The five-year OIS rate settled at 5.955%. The Rupee ended at 89.65 per U.S. Dollar unchanged from its previous close while the dollar index was at 97.9.

On a positive note, RBI has decided to conduct operations to infuse liquidity into the banking system. It will conduct Rs 2 Lakh crore OMO purchase auctions of GOI securities in four tranches of Rs 50,000 crore each to be held on December 29, 2025, January 05, 2026, January 12, 2026, and January 22, 2026. It will also conduct USD/INR Buy/Sell Swap Auction of \$10 billion for a tenor of 3 years to be held on January 13, 2026. RBI will continue to monitor evolving liquidity and market conditions and take measures as appropriate to ensure orderly liquidity conditions, it added.

Globally, U.S. yields ended higher on Monday as holiday week begins, the yield on 10-year Treasury note was up 1.8 basis points at 4.168%. The two-year was up 2.5 bps at 3.510%. Odds of January Fed rate cut is below 20% according to CME group data. Euro zone bond yield eased with the German 10 year yield at 2.88%. Safe haven assets, gold and silver hit record highs on Tuesday led by geopolitical tensions. Spot Gold hit record high of \$4,497.55/oz. while silver peaked to \$70 per ounce for the first time.

Market Observations

G-sec

- Overall, SDL cut off was in-line with market expectations, where states successfully managed to raise Rs 33,720crs worth of bonds against the notified amount of Rs 33,220crs. GJ state exercised its Green shoe option and successfully managed to raise an additional amount of 500crs in its 6 year maturity. Post cut-off, buying demand was visible by Primary Dealers in 7yr UK and 8yr BR at 7.60 centric levels.
- 2-3 year Gsec (7.38 2027 and 7.17 2028) saw size buying demand by Private Sector Banks at 5.72 and 5.76 levels respectively, where Foreign Banks were major suppliers.
- 4 year maturity Gsec (7.26 2029 vs 7.04 2029) saw size switches being dealt at 11.10bps, where 7.04 2029 traded higher. This switch was predominantly dealt between Public sector Banks and Primary Dealers to the combined tune of 600crs.

Corp Bond

- Trading volumes were primarily concentrated in the medium-term segment, followed by the short-term money market yield (MMY) and longer-end segments. Yields traded slightly higher today. AAA-rated PSU Indicative bond yields stood at 6.95% for 1 year, 7% for 3 years, 7.09% for 5 years, and 7.28% for 10 years, with mutual funds and banks being the major participants.

CP/CD

- Yields were more or less flattish with the 3-month CD at 6.05%, the 6-month CD rose slightly by 1-2 bps at 6.47% and the 12-month CD rose by 5 bps at 6.70%. Trading activity was concentrated primarily in the December and January–March maturities.

GOI Yield	23-Dec	22-Dec	16-Dec	21-Nov
1 Year	5.51	5.50	5.47	5.55
5 Year	6.40	6.44	6.32	6.23
10 Year	6.63	6.67	6.57	6.57

AAA Bmk	23-Dec	22-Dec	16-Dec	21-Nov
1 Year	6.93	6.86	6.85	6.62
5 Year	7.09	7.08	7.03	6.88
10 Year	7.28	7.28	7.32	7.17

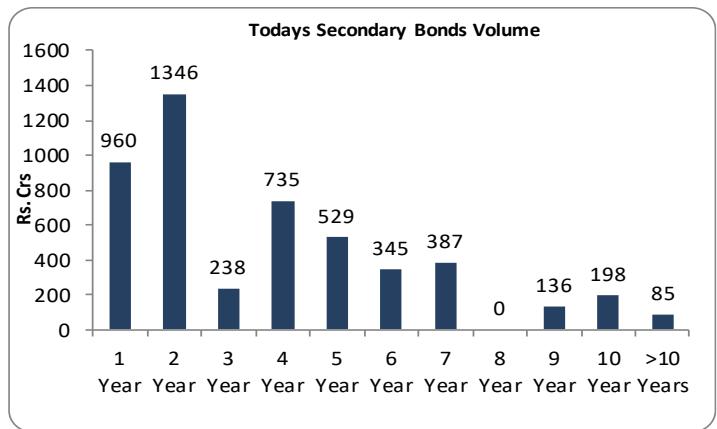
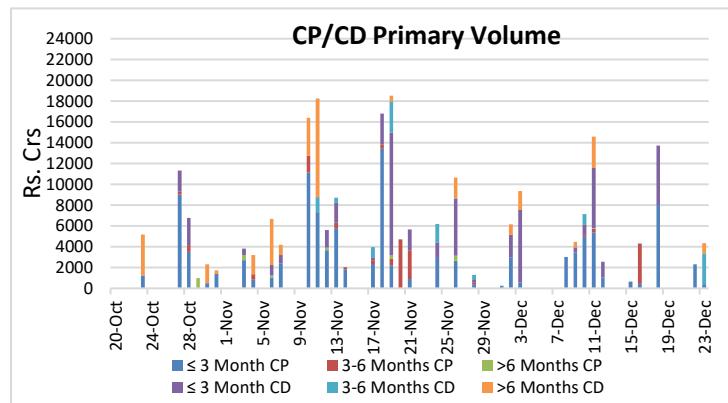
CD	23-Dec	22-Dec	16-Dec	21-Nov
3 Month	6.05	6.05	6.05	5.95
6 Month	6.47	6.45	6.40	6.23
1 Year	6.70	6.65	6.68	6.40

CP	23-Dec	22-Dec	16-Dec	21-Nov
3 Month	6.10	6.10	6.10	6.00
6 Month	6.52	6.50	6.45	6.27
1 Year	6.75	6.70	6.73	6.45

OIS Rate	23-Dec	22-Dec	16-Dec	21-Nov
1 Year	5.50	5.51	5.47	5.48
2 Year	5.58	5.60	5.55	5.48
3 Year	5.75	5.76	5.68	5.58
5 Year	5.96	5.98	5.90	5.77

	23-Dec	22-Dec	16-Dec	21-Nov
Sensex	85,521	85,567	84,680	85,232
Nifty	26,169	26,172	25,860	26,068
USD/INR	89.65	89.65	91.03	89.48
Gold (USD)	4,484	4,445	4,304	4,065
Oil (USD)	62.18	62.07	58.92	62.56

NDF	23-Dec	22-Dec	16-Dec	21-Nov
3 Month	90.73	90.57	91.72	90.08
1 Year	92.52	92.44	93.53	91.67
2 Year	95.31	95.17	96.07	94.18
3 Year	98.31	98.10	99.23	97.09



10 Year Benchmarks	23-Dec	22-Dec	16-Dec	21-Nov
India	6.65	6.67	6.57	6.57
US	4.15	4.17	4.15	4.06
South Korea	3.38	3.35	3.31	3.27
Brazil	13.88	13.88	13.65	13.65
Germany	2.86	2.90	2.85	2.70
China	1.87	1.85	1.80	1.82

Top Traded Securities	Volume	23-Dec	22-Dec	16-Dec	21-Nov
		23-Dec	22-Dec	16-Dec	21-Nov
6.75 2029	0	6.25	6.28	6.16	6.08
6.79 2034	745	6.75	6.74	6.64	6.59
6.33 2035	1090	6.67	6.67	6.57	6.57
6.92 2039	30	7.08	7.04	6.97	6.89
7.09 2054	5	7.34	7.36	7.31	7.29
7.34 2064	15	7.45	7.42	7.41	7.39

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
18-Dec-25	26,033	27,260	(1,226.92)

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9,029	8,234	795.74

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	35,062	35,493	(431.18)

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
23-Dec-25	1011	832	179.24

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	10901	10713	187.65

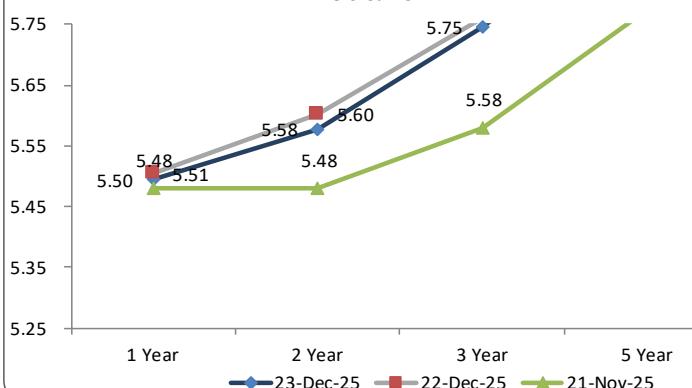
TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	11912	11545	366.89

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 (%)	Oct-25	0.40	4.60
PMI Manufacturing	Nov-25	56.60	59.20
PMI Service	Nov-25	59.80	58.90

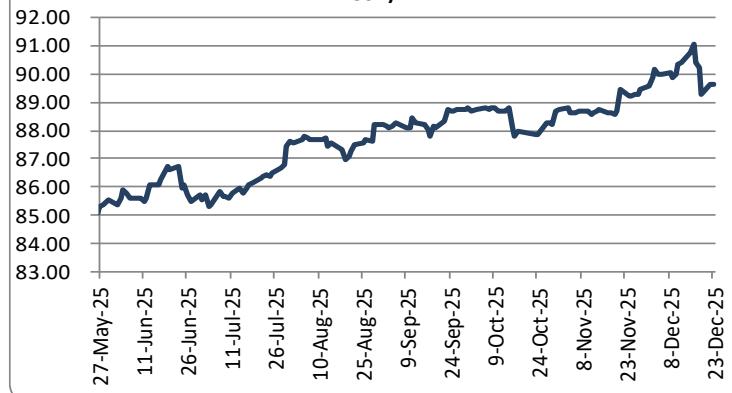
Economic Calender	Country	Date	Poll	Prior
Initial Jobless Claims	US	24-Dec-25		224K
Crude Oil Inventories	US	24-Dec-25		(1,274)M
FX Reserves, USD	INDIA	26-Dec-25		688,95B
Industrial Production (YoY) (Nov)	INDIA	28-Dec-25		0.4
S&P Global Manufacturing PMI (Dec)	US	01-Jan-26		51.8
S&P Global Manufacturing PMI (Dec)	INDIA	02-Jan-26		55.7
FX Reserves, USD	INDIA	02-Jan-26		



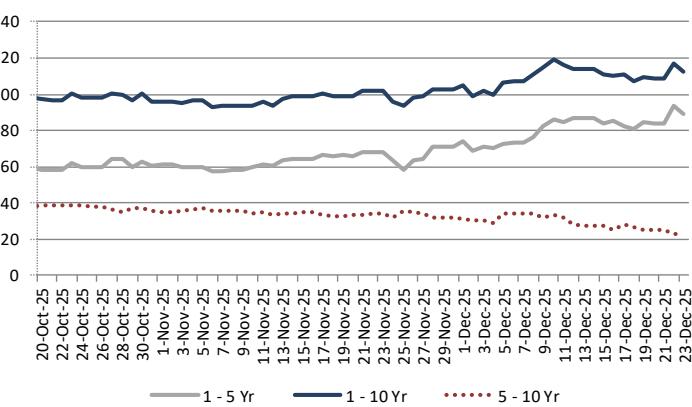
OIS Curve



USD/INR



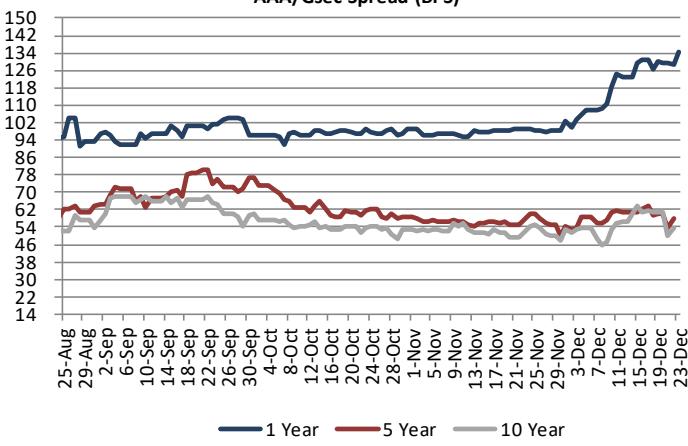
GOI Spread BPS



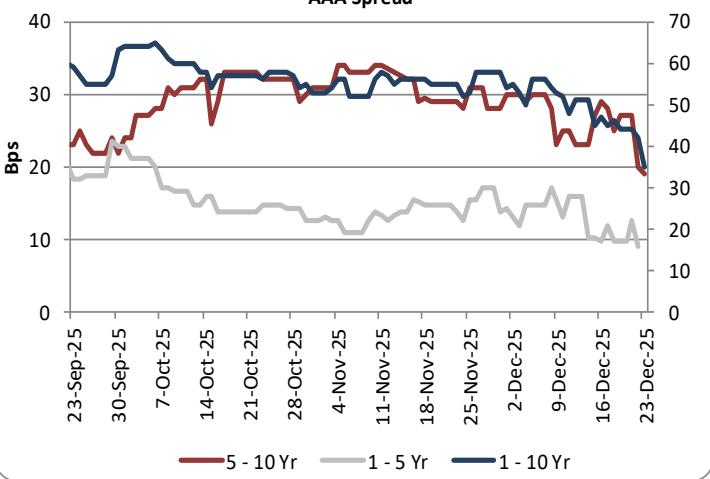
INR Annualised Fwd



AAA/Gsec Spread (BPS)

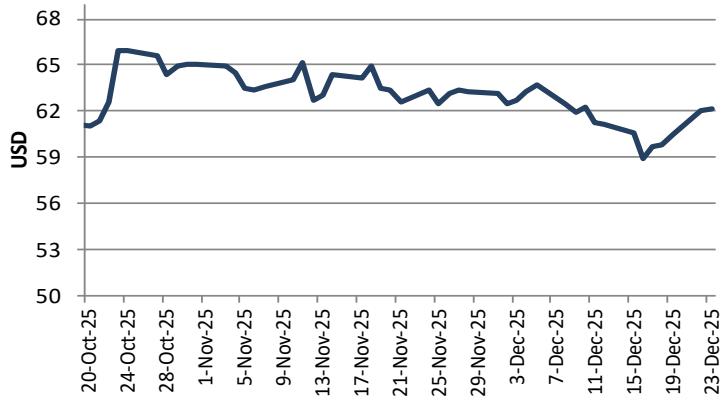


AAA Spread





Brent Crude



GOLD



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

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