Bond Street

BONDWATCH

Daily

INDIA

05-05-2026

The benchmark 6.48% 2035 bond yield closed at 7.0184% on Tuesday from 7.0194% on Monday.

Benchmark bond yield ended flattish with investors focused on developments in the Strait of Hormuz, while Rupee hits record low of 95.28 per U.S. Dollar as economic worries mount on renewed US-Iran tensions. 1Y and 5Y OIS rates remained flat at 6.0575% and 6.6725%.

A fragile truce in the Middle East was under strain on Tuesday after the U.S. and Iran exchanged fire in the Gulf as they wrestled for control of the Strait of Hormuz.

Oil steadied during Asian hours after rising 6% on Monday. Benchmark Brent crude was last at $113 a barrel.

New Delhi will sell Rs.34,000 crs of a new 10-year paper on Friday likely to be issued at above 7% coupon, This note will replace the existing 10-year benchmark 6.48% 2035 bond, the Reserve Bank of India had last sold a 10-year paper above 7 per cent in April 2024.

Globally, Euro zone bond yields inch lower, Strait of Hormuz in focus with Germany's 10-year bond yield down 1 basis point at 3.07% after a 5 bp jump the previous session. US yields climb as Iran conflict pushes up crude oil prices with the U.S. 10-year Treasury note rising 7 basis points to 4.448%.

Market Observations.
G-sec

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 18,600crs worth of bonds.

Size buying demand was visible in 1-year maturity Gsec (6.79 2027 / 7.02 2027) at 5.91 and 5.93 levels, to the combined tune of 1,065crs. Here Foreign Banks acted as both sellers and buyers.

PSU Banks and Primary Dealers were looking to do switches in 2 year and 3-year maturity Gsec (7.06 2028 vs 7.37 2028, 7.06 2028 vs 7.37 2028).

Corp Bond

Trading activity was concentrated in the medium-term segment, followed by short-term money market yields. AAA-rated indicative yields were more or less flattish with the 1Y at 7.35%, 3Y at 7.68%, 5Y at 7.75 and the 10Y at 7.76% Mutual funds and banks were the major market participants.

CP/CD

Yields were trading more or less flattish with the 3-month CD trading at 6.50%, the 6-month higher at 7% and for the 1-year at 7.40%. Trading volumes were concentrated in the 2M, 3M segment with banks and mutual funds being the major market participant.

GOI Yield	5-May	4-May	28-Apr	2-Apr
1 Year	5.63	5.63	5.58	5.65
5 Year	6.59	6.59	6.56	6.86
10 Year	7.02	7.02	6.98	7.13

AAA Bmk	5-May	4-May	28-Apr	2-Apr
1 Year	7.35	7.35	7.28	7.33
5 Year	7.75	7.75	7.65	7.73
10 Year	7.76	7.78	7.70	7.78

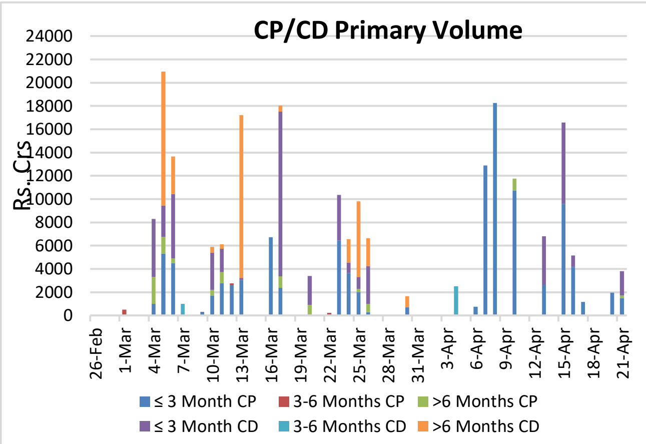
CD	5-May	4-May	28-Apr	2-Apr
3 Month	6.50	6.50	6.40	7.33
6 Month	7.00	6.95	6.90	7.33
1 Year	7.40	7.40	7.20	7.33

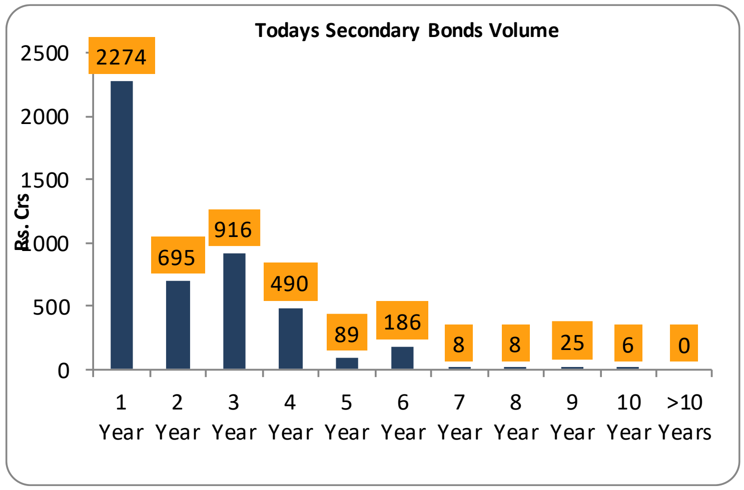
CP	5-May	4-May	28-Apr	2-Apr
3 Month	6.55	6.55	6.45	7.38
6 Month	7.05	7.00	6.95	7.38
1 Year	7.45	7.45	7.25	7.38

OIS Rate	5-May	4-May	28-Apr	2-Apr
1 Year	6.06	6.06	5.97	6.37
2 Year	6.28	6.30	6.24	6.57
3 Year	6.48	6.48	6.40	6.66
5 Year	6.67	6.67	6.60	6.87

	5-May	4-May	28-Apr	2-Apr
Sensex	77,018	77,269	76,887	73,320
Nifty	24,033	24,119	23,996	22,713
USD/INR	95.28	95.09	94.54	93.10
Gold (USD)	4,561	4,520	4,595	4,676
Oil (USD)	112.73	114.44	111.26	109.03

NDF	5-May	4-May	28-Apr	2-Apr
3 Month	96.47	96.61	95.73	95.25
1 Year	99.27	99.25	98.28	98.31
2 Year	102.57	102.61	101.54	100.98
3 Year	106.12	106.25	105.07	104.64





10 Year Benchmarks	5-May	4-May	28-Apr	2-A
India	7.02	7.02	6.98	7.1
US	4.43	4.45	4.35	4.3
South Korea	3.93	3.93	3.86	3.8
Brazil	14.08	14.08	13.82	14.0
Germany	3.09	3.08	3.06	3.0
China	1.75	1.75	1.76	1.8

Top Traded Securities	Volume	5-May	4-May	28-Apr	2-Apr
6.75 2029	0	#N/A	6.46	6.44	6.62
6.79 2034	140	7.04	7.04	7.05	7.15
6.33 2035	180	6.93	6.92	6.85	7.02
6.92 2039	0	#N/A	#N/A	#N/A	7.19
7.09 2054	0	#N/A	7.56	7.55	7.84
7.34 2064	70	7.69	7.65	7.67	7.87

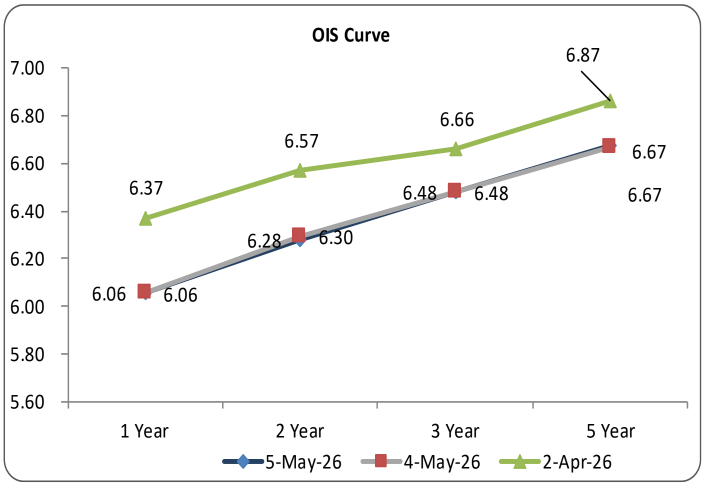
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
28-Apr-26	15,093	15,233	(140.37)	32,517	31,169	1,348.22	47,610	46,402	1,20

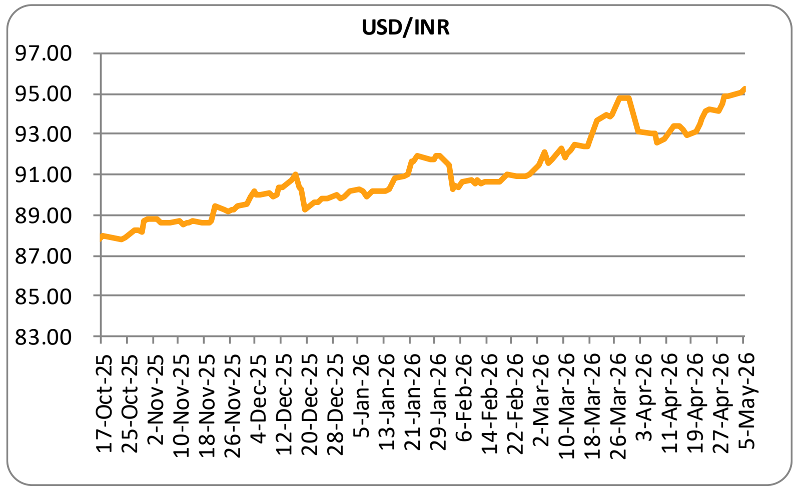
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
5-May-26	179	117	61.66	20129	17157	2,972.46	20308	17274	3,03

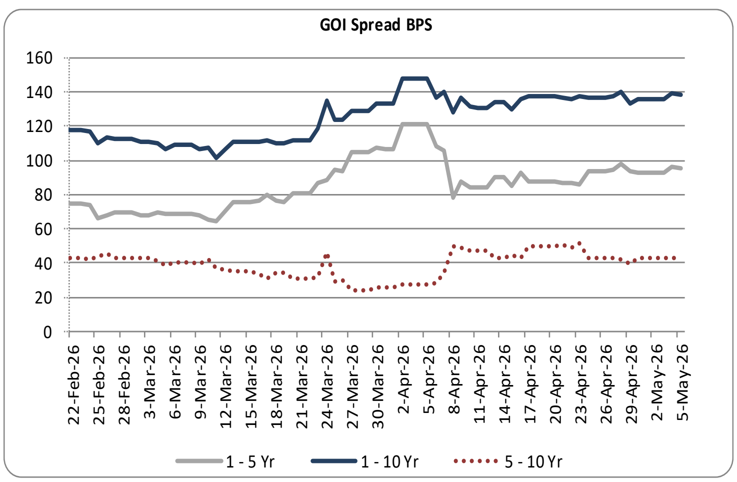
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-25	7.80	8.40
CAD ($ Bn)	Dec-25	(13.20)	(14.10)
Trade Deficit ($ Bn)	Dec-25	(93.60)	(89.10)
WPI (%)	Mar-26	3.88	2.13
CPI (%)	Mar-26	3.40	3.21
IIP (%)	Mar-26	4.10	5.10
PMI Manufacturing	Apr-26	54.70	53.90
PMI Service	Mar-26	57.50	58.10

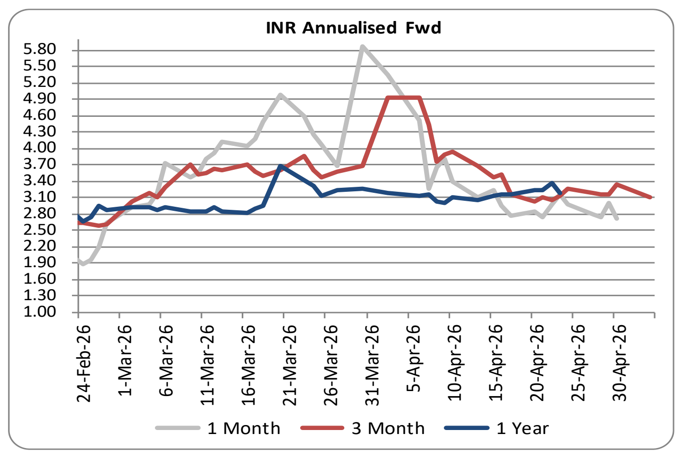
Economic Calender	Country	Date	Poll	Prior
S&P Global Services PMI (Apr)	U.S.	05-05-2026	51.3	49.8
New Home Sales (Mar)	U.S.	05-05-2026	1K	587K
JOLTS Job Openings (Mar)	U.S.	05-05-2026	6.870M	6.882M
ISM Non-Manufacturing PMI (Apr)	U.S.	05-05-2026	53.8	54
S&P Global Services PMI (Apr)	INDIA	06-05-2026	57.9	57.9
ADP Nonfarm Employment Change (Apr)	U.S.	06-05-2026	90K	62K
Crude Oil Inventories	U.S.	06-05-2026		(6.23)M
Initial Jobless Claims	U.S.	07-05-2026	203K	189K

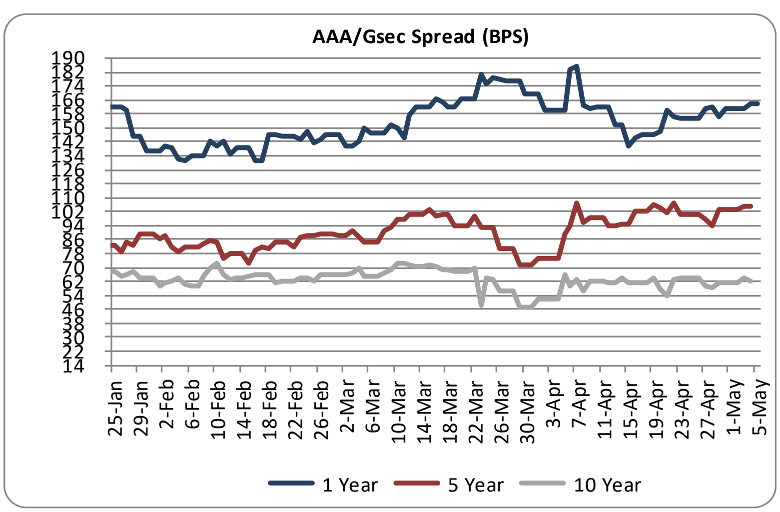
Bond Street

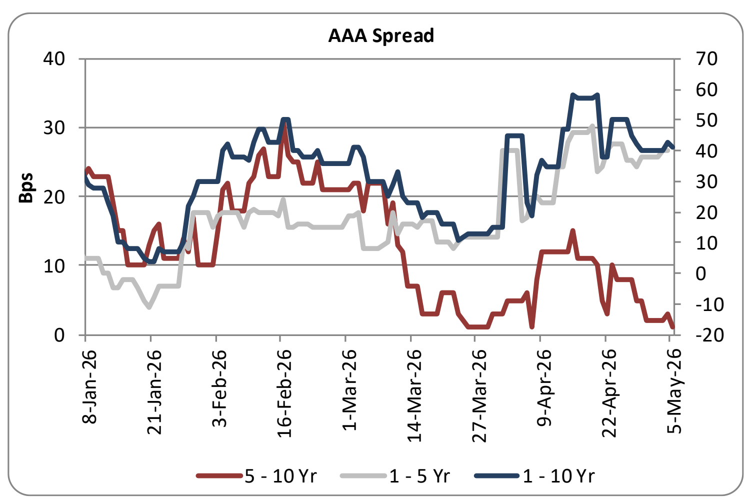

OIS Curve
7.00
6.80
6.60
6.40
6.20
6.00
5.80
5.60
6.87
6.57
6.66
6.37
6.67
6.48
6.48
6.67
6.28
6.30
6.06
6.06
1 Year
2 Year
3 Year
5 Year
5-May-26
4-May-26
2-Apr-26

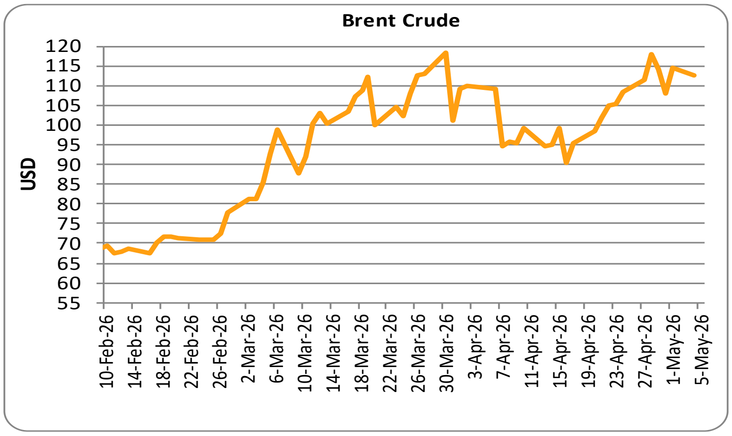

USD/INR
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
17-Oct-25
25-Oct-25
2-Nov-25
10-Nov-25
18-Nov-25
26-Nov-25
4-Dec-25
12-Dec-25
20-Dec-25
28-Dec-25
5-Jan-26
13-Jan-26
21-Jan-26
29-Jan-26
6-Feb-26
14-Feb-26
22-Feb-26
2-Mar-26
10-Mar-26
18-Mar-26
26-Mar-26
3-Apr-26
11-Apr-26
19-Apr-26
27-Apr-26
5-May-26

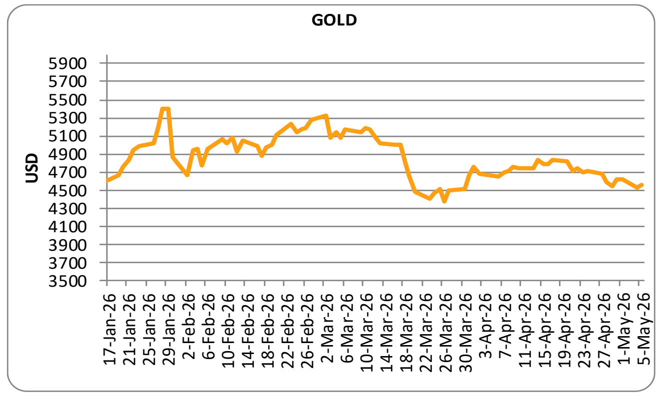

GOI Spread BPS
160
140
120
100
80
60
40
20
0
22-Feb-26
25-Feb-26
28-Feb-26
3-Mar-26
6-Mar-26
9-Mar-26
12-Mar-26
15-Mar-26
18-Mar-26
21-Mar-26
24-Mar-26
27-Mar-26
30-Mar-26
2-Apr-26
5-Apr-26
8-Apr-26
11-Apr-26
14-Apr-26
17-Apr-26
20-Apr-26
23-Apr-26
26-Apr-26
29-Apr-26
2-May-26
5-May-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
5.80
5.50
5.20
4.90
4.60
4.30
4.00
3.70
3.40
3.10
2.80
2.50
2.20
1.90
1.60
1.30
1.00
24-Feb-26
1-Mar-26
6-Mar-26
11-Mar-26
16-Mar-26
21-Mar-26
26-Mar-26
31-Mar-26
5-Apr-26
10-Apr-26
15-Apr-26
20-Apr-26
25-Apr-26
30-Apr-26
1 Month
3 Month
1 Year


AAA/Gsec Spread (BPS)
190
182
174
166
158
150
142
134
126
118
110
102
94
86
78
70
62
54
46
38
30
22
14
25-Jan
29-Jan
2-Feb
6-Feb
10-Feb
14-Feb
18-Feb
22-Feb
26-Feb
2-Mar
6-Mar
10-Mar
14-Mar
18-Mar
22-Mar
26-Mar
30-Mar
3-Apr
7-Apr
11-Apr
15-Apr
19-Apr
23-Apr
27-Apr
1-May
5-May
1 Year
5 Year
10 Year


AAA Spread
40
30
20
10
0
Bps
70
60
50
40
30
20
10
0
-10
-20
8-Jan-26
21-Jan-26
3-Feb-26
16-Feb-26
1-Mar-26
14-Mar-26
27-Mar-26
9-Apr-26
22-Apr-26
5-May-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

For any queries contact - LKP Securities Ltd. Ph: 022-62501149 Fax: (91-22) 2284 2415 E Mail: fixedincomeresearch@lkpsec.com

Visit our website - http://www.lkpsec.com/