Bond Street

BONDWATCH

INDIA

Daily

08-05-2026

The benchmark 6.48% 2035 bond yield closed at 6.9809% on Friday from 6.9328% on Thursday.

Benchmark yield started the week on a flat note as Middle East tensions kept oil above $100, weighing on the rupee and bond markets. Traders also awaited issuance of a new 10-year note. Midweek, yield dropped sharply by 10 bps to 6.9219% on Wednesday amid optimism over a U.S.–Iran peace deal, which lifted the rupee to 94.61. However, by week's end, renewed clashes pushed oil higher again, driving yields back up. Overall, the rupee ended the week stronger at 94.48.

U.S. and Iranian forces clashed in the Gulf and the United Arab Emirates came under renewed attack, but President Donald Trump said a ceasefire was still holding despite the flare-up, which dented hopes for a swift diplomatic resolution to the crisis.

Oil prices held above $100 a barrel in Asian hours, making traders wary of the economic risks of higher crude prices and supply shortage as India imports nearly 90% of its crude needs.

Market Observations.

G-sec

The market opened weak as the anticipated peace deal failed to materialize, dampening sentiment and resulting in subdued demand at the auction of the new 10-year benchmark bond.

The cut-off for the new 10-year IGB came in at 6.94% in the multiple-price auction. Later in the session, renewed geopolitical tensions triggered further selling, pushing benchmark yield to 6.98%.

Corp Bond

Trading was largely concentrated in the medium-term segment, followed by short-dated MMY. AAA-rated PSU indicative yields softened over the week — the 1Y held flat at 7.35%, the 3Y eased to 7.54% from 7.70%, the 5Y at 7.62% from 7.73%, and the 10Y declined to 7.67% from 7.75%.

CP/CD

CD yields firmed over the week, with the 3-month rising to 6.55% from 6.45%, the 6-month climbing to 7.00% from 6.90%, and the 1-year moving up to 7.45% from 7.35%. Trading activity was spread across maturities, led primarily by banks and mutual funds.

GOI Yield	8-May	7-May	30-Apr	8-Apr
1 Year	5.65	5.66	5.66	5.62
5 Year	6.48	6.42	6.59	6.40
10 Year	6.98	6.93	7.01	6.90

AAA Bmk	8-May	7-May	30-Apr	8-Apr
1 Year	7.35	7.32	7.35	7.33
5 Year	7.62	7.60	7.73	7.57
10 Year	7.67	7.70	7.75	7.65

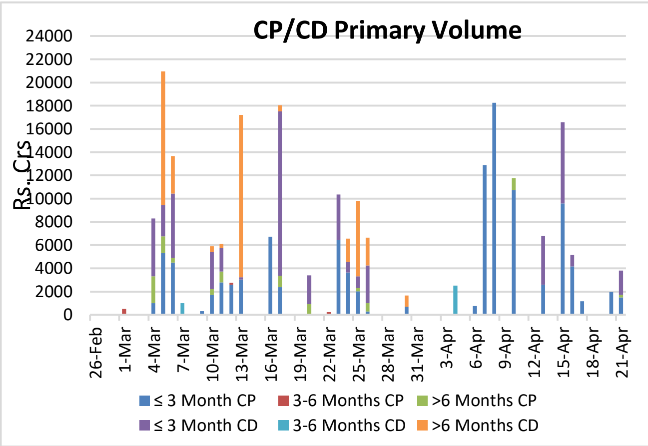
CD	8-May	7-May	30-Apr	8-Apr
3 Month	6.55	6.50	6.45	6.50
6 Month	7.00	7.00	6.90	7.05
1 Year	7.45	7.45	7.35	7.15

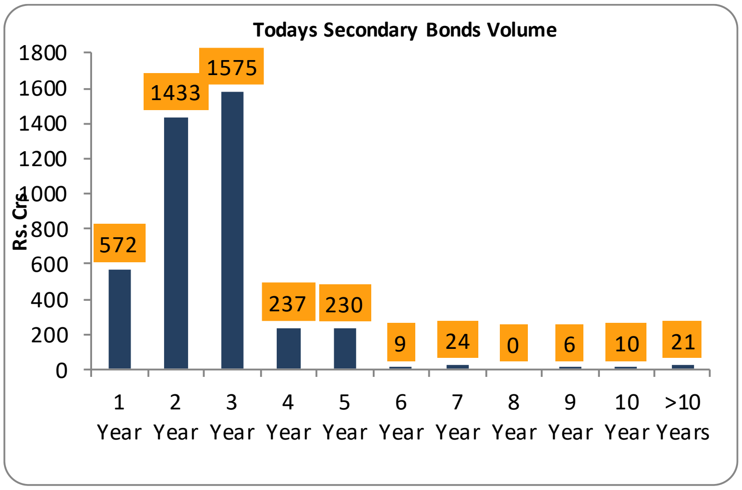
CP	8-May	7-May	30-Apr	8-Apr
3 Month	6.60	6.55	6.50	6.55
6 Month	7.05	7.05	6.95	7.10
1 Year	7.50	7.50	7.40	7.20

OIS Rate	8-May	7-May	30-Apr	8-Apr
1 Year	5.90	5.87	6.00	5.85
2 Year	6.13	6.09	6.23	6.00
3 Year	6.33	6.30	6.42	6.15
5 Year	6.56	6.51	6.61	6.31

	8-May	7-May	30-Apr	8-Apr
Sensex	77,328	77,845	76,914	77,563
Nifty	24,176	24,327	23,998	23,997
USD/INR	94.48	94.25	94.91	92.58
Gold (USD)	4,726	4,685	4,622	4,716
Oil (USD)	100.11	100.06	114.01	94.75

NDF	8-May	7-May	30-Apr	8-Apr
3 Month	95.40	95.37	96.04	93.92
1 Year	97.94	97.92	98.73	96.31
2 Year	101.07	101.06	101.87	100.38
3 Year	104.55	104.71	105.52	102.63





10 Year Benchmarks	8-May	7-May	30-Apr	8-A
India	6.98	6.93	7.02	6.9
US	4.37	4.39	4.39	4.2
South Korea	3.91	3.91	3.84	3.6
Brazil	13.95	13.95	13.89	13.7
Germany	3.00	3.00	3.03	2.9
China	1.77	1.76	1.75	1.8

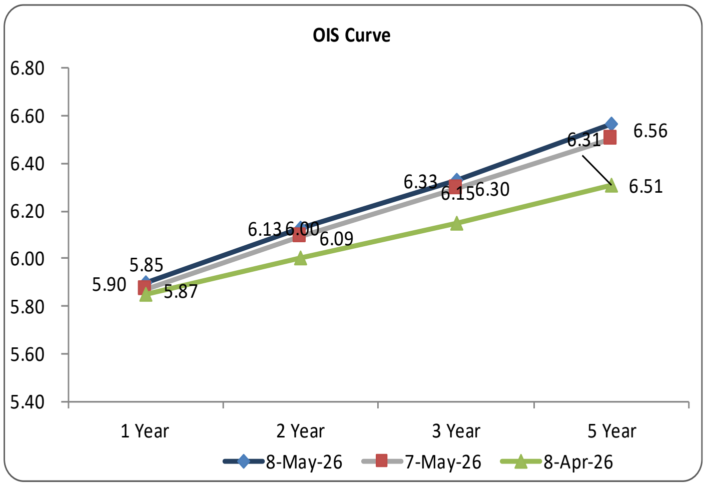
Top Traded Securities	Volume	8-May	7-May	30-Apr	8-Apr
6.75 2029	0	#N/A	6.45	6.47	6.62
6.79 2034	80	6.99	6.92	7.10	6.93
6.33 2035	460	6.88	6.83	6.88	6.80
6.92 2039	0	7.15	7.12	7.18	7.32
7.09 2054	0	#N/A	7.50	7.59	7.59
7.34 2064	125	7.63	7.57	7.68	7.63

	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
5-May-26	18,909	26,521	(7,612.25)	12,886	11,069	1,817.34	31,795	37,590	(5,79

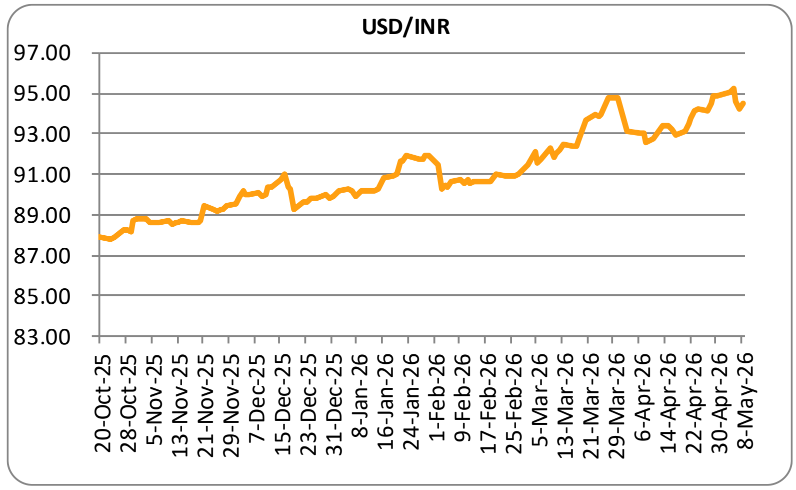
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
8-May-26	204	129	75.08	18672	18692	(19.82)	18877	18821	5.

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	Apr-26	58.80	57.50

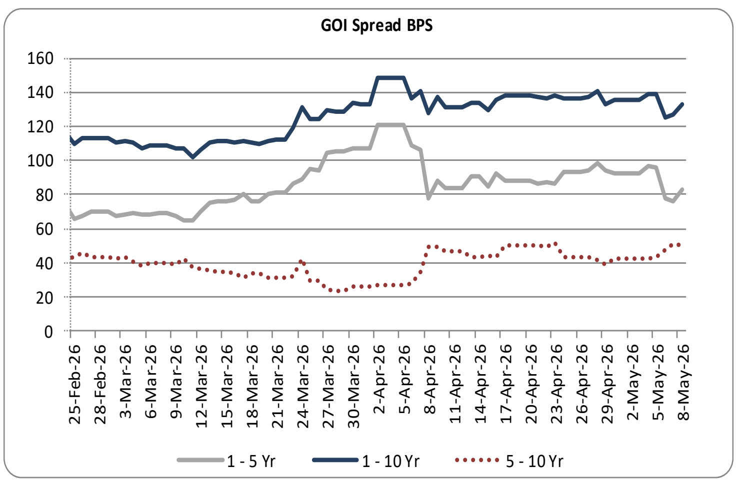
Economic Calender	Country	Date	Poll	Prior
Average Hourly Earnings (MoM) (Apr)	U.S.	08-05-2026	0.3	0.2
Nonfarm Payrolls (Apr)	U.S.	08-05-2026		
Unemployment Rate (Apr)	U.S.	08-05-2026	4.3	4.3
Existing Home Sales (Apr)	U.S.	11-05-2026	0	3.98M
CPI (YoY) (Apr)	INDIA	12-05-2026	0	3.4



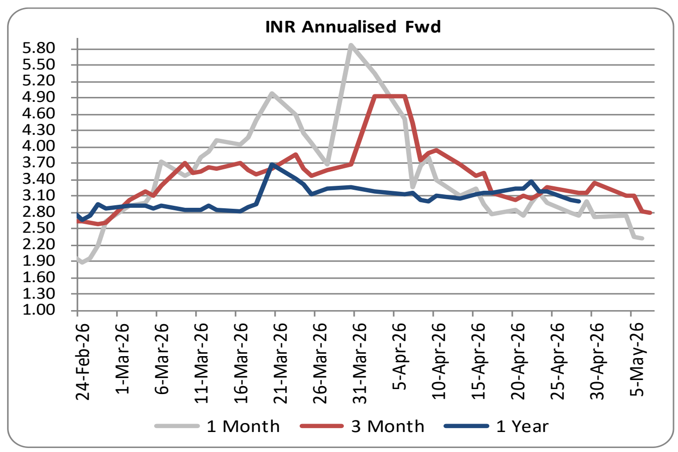
OIS Curve
6.80
6.60
6.40
6.20
6.00
5.80
5.60
5.40
5.85
5.90
5.87
6.13
6.00
6.09
6.33
6.15
6.30
6.31
6.56
6.51
1 Year
2 Year
3 Year
5 Year
8-May-26
7-May-26
8-Apr-26



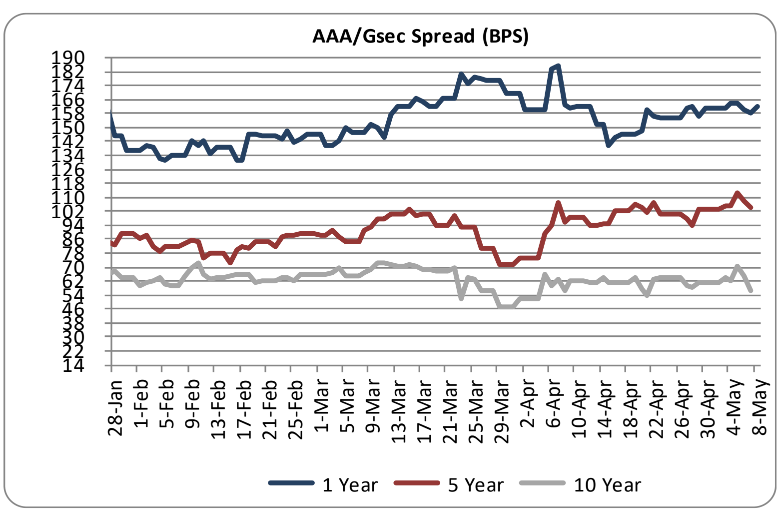
USD/INR
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
20-Oct-25
28-Oct-25
5-Nov-25
13-Nov-25
21-Nov-25
29-Nov-25
7-Dec-25
15-Dec-25
23-Dec-25
31-Dec-25
8-Jan-26
16-Jan-26
24-Jan-26
1-Feb-26
9-Feb-26
17-Feb-26
25-Feb-26
5-Mar-26
13-Mar-26
21-Mar-26
29-Mar-26
6-Apr-26
14-Apr-26
22-Apr-26
30-Apr-26
8-May-26



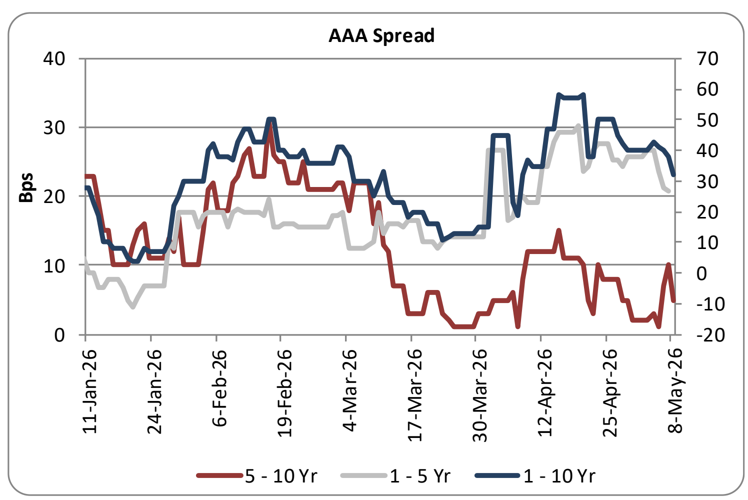
GOI Spread BPS
160
140
120
100
80
60
40
20
0
25-Feb-26
28-Feb-26
3-Mar-26
6-Mar-26
9-Mar-26
12-Mar-26
15-Mar-26
18-Mar-26
21-Mar-26
24-Mar-26
27-Mar-26
30-Mar-26
2-Apr-26
5-Apr-26
8-Apr-26
11-Apr-26
14-Apr-26
17-Apr-26
20-Apr-26
23-Apr-26
26-Apr-26
29-Apr-26
2-May-26
5-May-26
8-May-26
1 - 5 Yr
1 - 10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



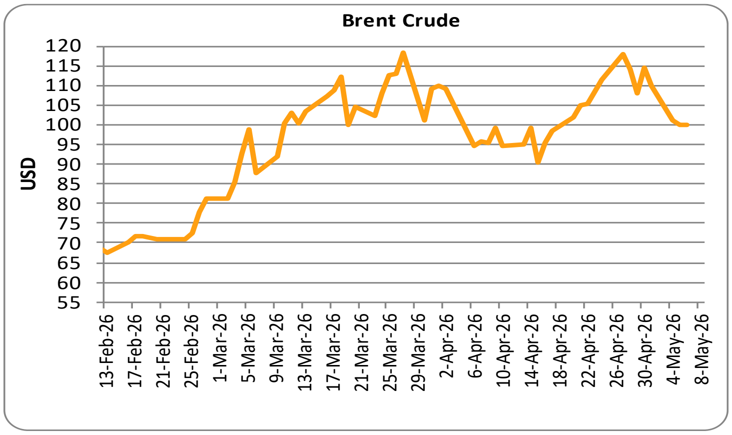
INR Annualised Fwd
5.80
5.50
5.20
4.90
4.60
4.30
4.00
3.70
3.40
3.10
2.80
2.50
2.20
1.90
1.60
1.30
1.00
24-Feb-26
1-Mar-26
6-Mar-26
11-Mar-26
16-Mar-26
21-Mar-26
26-Mar-26
31-Mar-26
5-Apr-26
10-Apr-26
15-Apr-26
20-Apr-26
25-Apr-26
30-Apr-26
5-May-26
1 Month
3 Month
1 Year

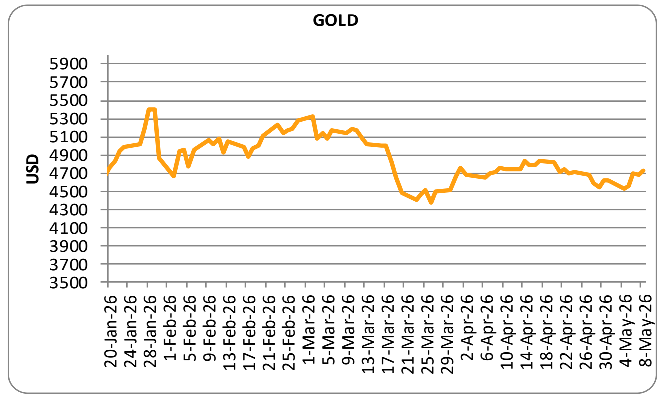


AAA/Gsec Spread (BPS)
190
182
174
166
158
150
142
134
126
118
110
102
94
86
78
70
62
54
46
38
30
22
14
28-Jan
1-Feb
5-Feb
9-Feb
13-Feb
17-Feb
21-Feb
25-Feb
1-Mar
5-Mar
9-Mar
13-Mar
17-Mar
21-Mar
25-Mar
29-Mar
2-Apr
6-Apr
10-Apr
14-Apr
18-Apr
22-Apr
26-Apr
30-Apr
4-May
8-May
1 Year
5 Year
10 Year



AAA Spread
Bps
40
30
20
10
0
70
60
50
40
30
20
10
0
-10
-20
11-Jan-26
24-Jan-26
6-Feb-26
19-Feb-26
4-Mar-26
17-Mar-26
30-Mar-26
12-Apr-26
25-Apr-26
8-May-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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

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