Bond Street

BondWatch

INDIA

Daily

11-05-2026

The benchmark 6.48% 2035 bond yield closed at 7.0458% on Tuesday from 7.0317% on Monday. The yield on the new 10-year 6.94% 2036 bond was up 2 bps at 7.0033%.

The benchmark yield extended its rise on Tuesday as fading hopes of a Middle East peace deal drove crude higher overshadowing India's CPI print that came in below expectations. The rupee slid to a record low of 95.6275 per dollar, OIS rates climbed amid Middle East tensions. The most liquid five-year OIS rate was up 4.5 bps at 6.6750%.

Hopes for a peace deal on Iran faded on Tuesday after Donald Trump said a ceasefire with Iran was "on life support" as Tehran rejected a U.S. proposal to end the conflict and stuck to a list of demands.

Provisional data from the statistics ministry showed CPI at 3.48% in April, driven by firmer prices in food, beverages, Restaurants and accommodation services amid elevated energy costs tied to the West Asia conflict while that was lower than a forecast of 3.8%.

Market Observations.

G-sec

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 14,185crs worth of bonds. Post cut-off, size buying demand was visible in 20-year maturity Tier 2 SDLs at 7.90 centric levels by Primary Dealers, where Mutual Funds acted as major sellers.

40-year maturity Gsec (7.34 2064 vs 6.90 2065) was dealt at 1.67bps, where 7.34 2064 traded higher. This switch was predominantly dealt between Insurance Companies, Pension Funds and Foreign Banks to the tune of 300crs.

7.18 2033 vs 6.48 2035 switch was dealt at 5bps. This switch was majorly dealt between Foreign Banks to the combined tune of 250crs.

Corp Bond

Trading activity was largely concentrated in the medium-term segment, followed by short-dated MMY and the longer end. AAA-rated PSU indicative yields rose today tracking rise in G-sec yields as fading hopes of a Middle East peace deal drove crude higher with the 1Y traded at 7.50%, the 3Y at 7.67% the 5Y at 7.70%, and the 10Y at 7.73%.

CP/CD

CD yields rose across segments, with the 3-month rising to 6.72% from 6.65%, the 6-month at 7.13% vs 7%, and the 1-year at 7.55% from 7.50%. Trading volumes were concentrated in the 2M, 3M and JFM segment with banks and mutual funds being the major market participant.

GOI Yield	11-May	8-May	4-May	10-Apr
1 Year	5.67	5.65	5.63	5.60
5 Year	6.55	6.48	6.59	6.44
10 Year	7.03	6.98	7.02	6.91

AAA Bmk	11-May	8-May	4-May	10-Apr
1 Year	7.40	7.35	7.35	7.30
5 Year	7.68	7.62	7.75	7.53
10 Year	7.73	7.67	7.78	7.65

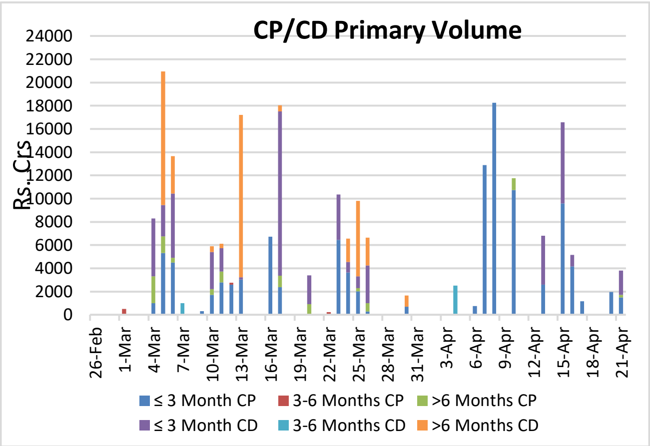
CD	11-May	8-May	4-May	10-Apr
3 Month	6.65	6.55	6.50	6.05
6 Month	7.00	7.00	6.95	6.75
1 Year	7.50	7.45	7.40	6.90

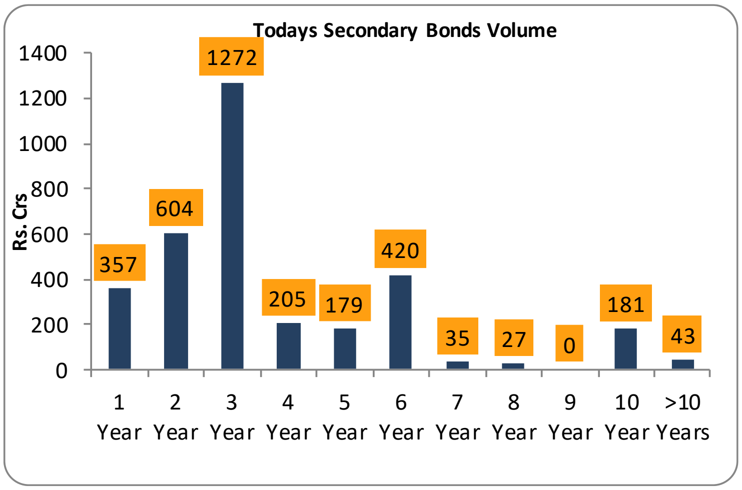
CP	11-May	8-May	4-May	10-Apr
3 Month	6.70	6.60	6.55	6.10
6 Month	7.05	7.05	7.00	6.80
1 Year	7.55	7.50	7.45	6.95

OIS Rate	11-May	8-May	4-May	10-Apr
1 Year	5.97	5.90	6.06	5.83
2 Year	6.23	6.13	6.30	6.00
3 Year	6.38	6.33	6.48	6.12
5 Year	6.64	6.56	6.67	6.31

	11-May	8-May	4-May	10-Apr
Sensex	76,399	77,328	77,269	77,550
Nifty	23,917	24,176	24,119	24,051
USD/INR	95.18	94.48	95.09	92.73
Gold (USD)	4,655	4,714	4,520	4,747
Oil (USD)	105.44	101.29	114.44	95.20

NDF	11-May	8-May	4-May	10-Apr
3 Month	96.21	95.35	96.61	94.68
1 Year	98.71	98.00	99.25	96.95
2 Year	102.06	101.03	102.61	101.02
3 Year	105.54	104.51	106.25	103.24





10 Year Benchmarks	11-May	8-May	4-May	10-A
India	7.03	6.98	7.02	6.9
US	4.40	4.36	4.45	4.3
South Korea	3.96	3.91	3.93	3.6
Brazil	13.89	13.89	14.08	13.7
Germany	3.01	3.00	3.08	3.0
China	1.76	1.77	1.75	1.8

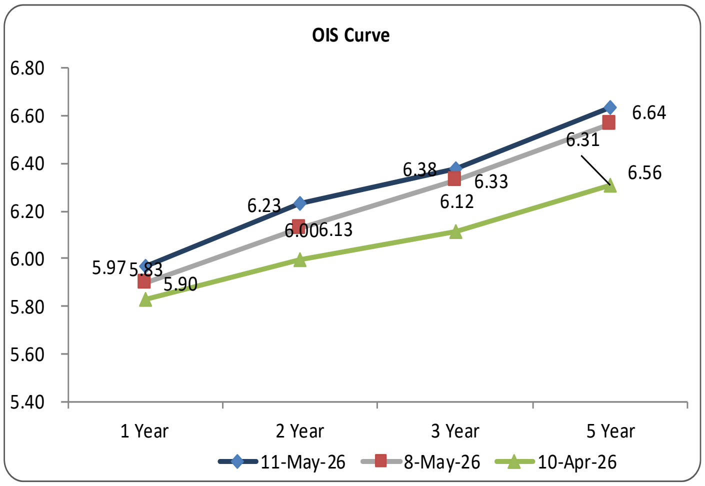
Top Traded Securities	Volume	11-May	8-May	4-May	10-Apr
6.75 2029	0	#N/A	6.44	6.46	6.37
6.79 2034	0	#N/A	6.96	7.04	6.93
6.33 2035	30	6.93	6.88	6.92	6.78
6.92 2039	0	7.22	7.15	7.18	7.32
7.09 2054	0	#N/A	7.50	7.56	7.55
7.34 2064	0	7.69	7.60	7.65	7.60

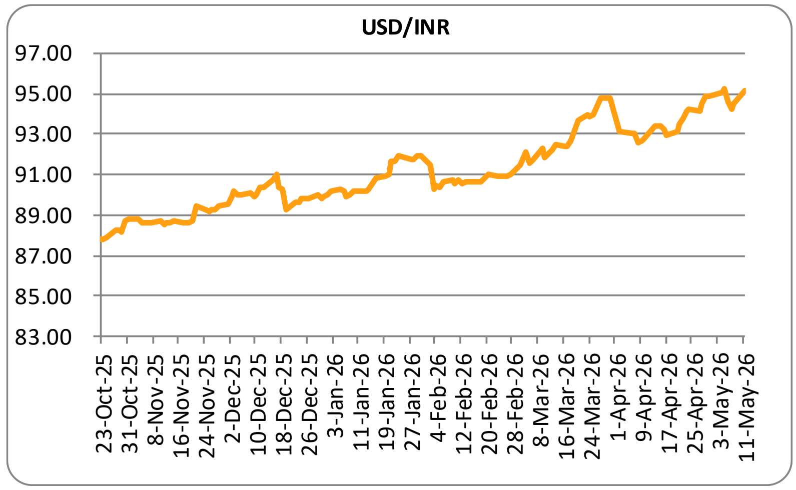
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
7-May-26	31,651	31,132	519.70	13,918	13,552	366.12	45,569	44,683	88

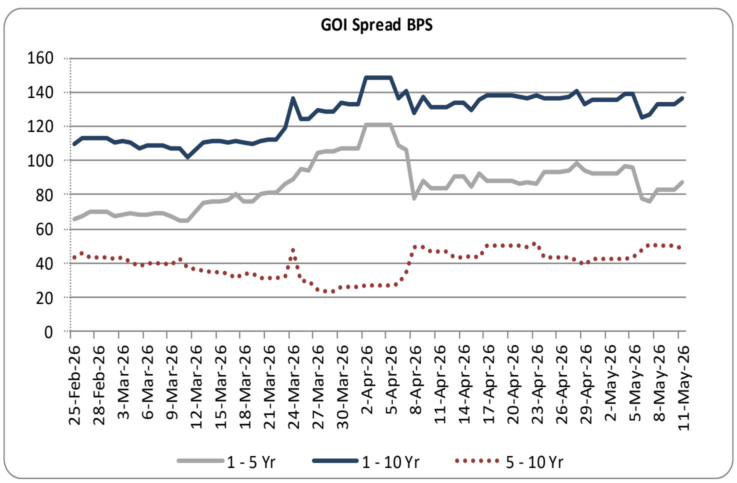
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
11-May-26	669	267	401.92	15413	16794	(1,381.03)	16082	17061	(97

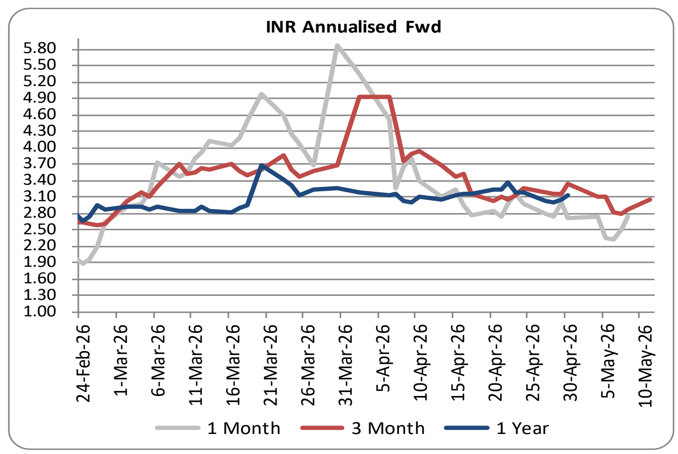
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-25	7.80	8.40
CAD ($ Bn)	Dec-25	(13.20)	(14.10)
Trade Deficit ($ Bn)	Dec-25	(93.60)	(89.10)
WPI (%)	Mar-26	3.88	2.13
CPI (%)	Mar-26	3.40	3.21
IIP (%)	Mar-26	4.10	5.10
PMI Manufacturing	Apr-26	54.70	53.90
PMI Service	Apr-26	58.80	57.50

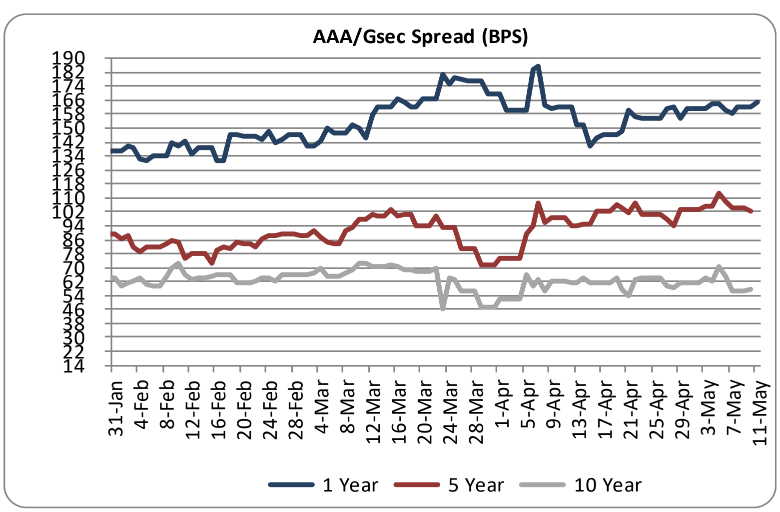
Economic Calender	Country	Date	Poll	Prior
Existing Home Sales (Apr)	U.S.	11-05-2026	4.05M	3.98M
CPI (YoY) (Apr)	INDIA	12-05-2026	3.8	3.4
CPI (MoM) (Apr)	U.S.	12-05-2026	0.6	0.9
CPI (YoY) (Apr)	U.S.	12-05-2026	3.7	3.3
Core CPI (MoM) (Apr)	U.S.	12-05-2026	0.3	0.2
PPI (MoM) (Apr)	U.S.	13-05-2026	0.5	0.5
Crude Oil Inventories	U.S.	14-05-2026		(2.313)M
GDP (YoY) (Q1)	U.K	14-05-2026		1

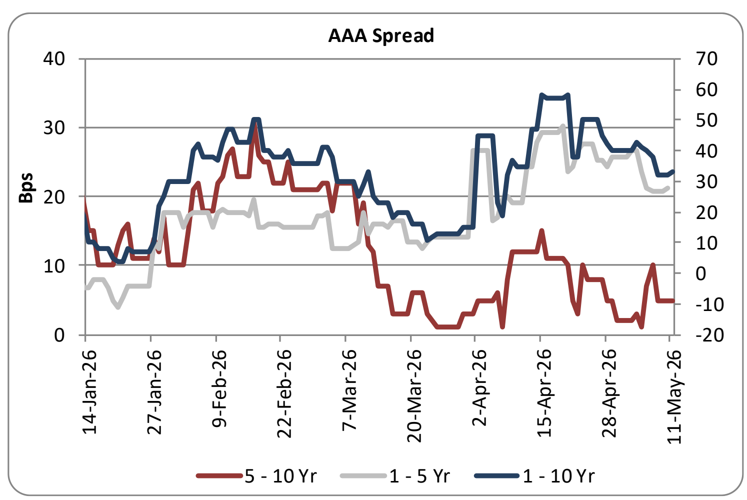

OIS Curve
5.97
5.83
5.90
6.23
6.00
6.13
6.38
6.33
6.12
6.31
6.64
6.56
1 Year
2 Year
3 Year
5 Year
11-May-26
8-May-26
10-Apr-26

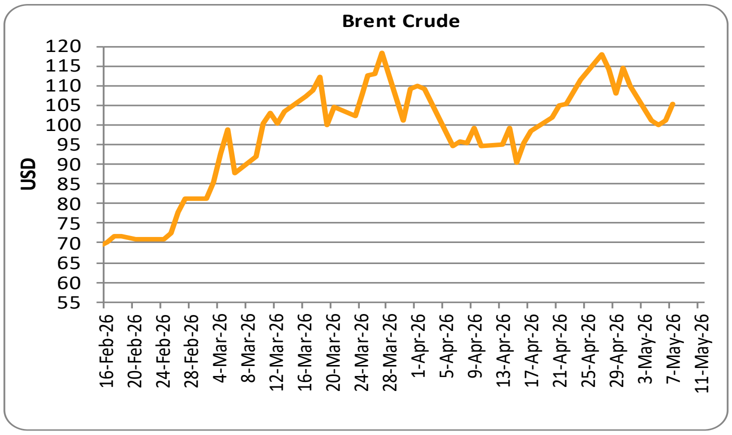

USD/INR

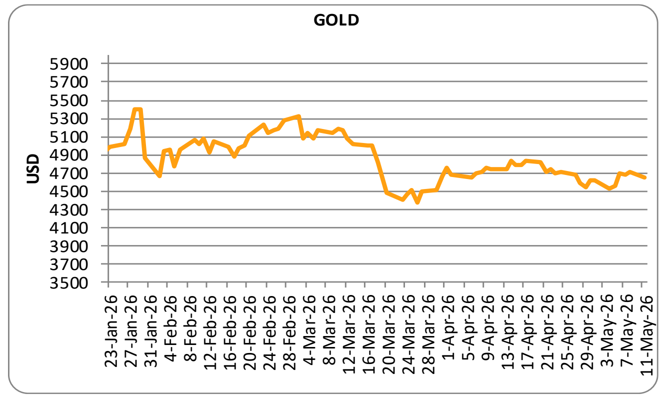

GOI Spread BPS
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


INR Annualised Fwd
1 Month
3 Month
1 Year


AAA/Gsec Spread (BPS)
1 Year
5 Year
10 Year


AAA Spread
Bps
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/