Bond Street

BONDWATCH

INDIA

Daily

14-05-2026

The benchmark 6.48% 2035 bond yield closed at 7.0203% on Thursday from 7.0493% on Wednesday. The yield on the new 10-year 6.94% 2036 bond was down 4bps at 6.9722%.

Benchmark yield eased on Thursday as Bloomberg reported India is considering tax relief on domestic bonds for foreign investors, with optimism from U.S.–China talks adding to hopes of resolving the Iran war. The rupee fell to 95.7625 per U.S. dollar, as energy risks deepen. OIS rates eased with the 5Y OIS down 5.5 bps at 6.6075%.

India's WPI inflation surged to 8.3% in April, the fastest pace in three-and-a-half years, marking the first clear signs of the Middle East conflict's spillover into Asia's third-largest economy.

China's Xi Jinping told President Donald Trump that trade talks were making progress at the start of a two-day summit on Thursday, but cautioned that disagreement over Taiwan could send relations down a dangerous path and even lead to conflict.

Globally, German 10-year yield eased slightly, but oil-driven inflation worries kept it anchored near multi-year highs with the 10-year yield last down 3bps at 3.08%. Japan's 10-year bond yield touched its highest level since 1997, driven by mounting inflation risks and worries over fiscal sustainability with the 10-year JGB yield up 2 bps to 2.61%. The benchmark 10-year U.S. yield stood at 4.468%, with Traders eyeing a possible Fed hike in H1'27.

Market Observations.

G-sec

40-year maturity Gsec switch (7.25 2063 vs 6.90 2065) was traded at 2.50bps, where 7.25 2063 traded higher due to Illiquidity Premium. This switch was dealt between Insurance Companies and Foreign Banks to the tune of 400crs.

10-year maturity Gsec (7.41 2036) was traded at 7.10 centric levels, where Insurance Companies and Foreign Banks acted as both sellers and buyers.

Corp Bond

Trading activity was largely concentrated in the medium-term segment followed by short MMY segment. AAA-rated PSU indicative yields rose slightly today with the 1Y traded at 7.60%, the 3Y at 7.70% the 5Y at 7.73%, and the 10Y at 7.76%.

CP/CD

CD yields rose across segments, with the 3-month rising to 6.95% from 6.79%, the 6-month at 7.20% vs 7.15%, and the 1-year at 7.65% from 7.60%. Trading volumes were concentrated in 2M, 3M and the JFM segment with banks and mutual funds being the major market participant.

GOI Yield	14-May	13-May	7-May	13-Apr
1 Year	5.76	5.76	5.66	5.60
5 Year	6.61	6.61	6.42	6.51
10 Year	7.02	7.05	6.93	6.94

AAA Bmk	14-May	13-May	7-May	13-Apr
1 Year	7.60	7.57	7.32	7.20
5 Year	7.73	7.70	7.60	7.55
10 Year	7.76	7.75	7.70	7.67

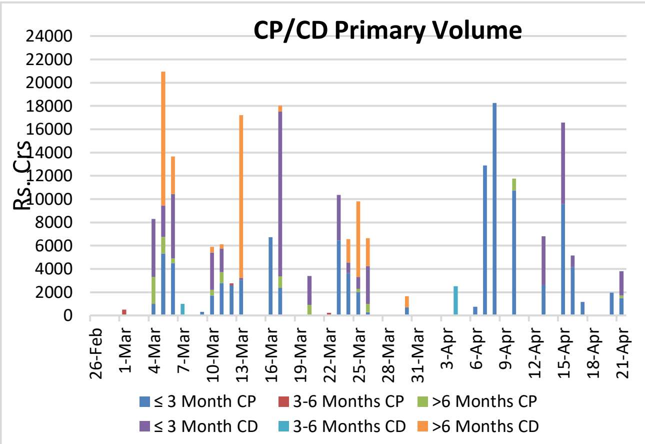
CD	14-May	13-May	7-May	13-Apr
3 Month	6.95	6.79	6.50	6.09
6 Month	7.20	7.15	7.00	6.75
1 Year	7.65	7.60	7.45	6.90

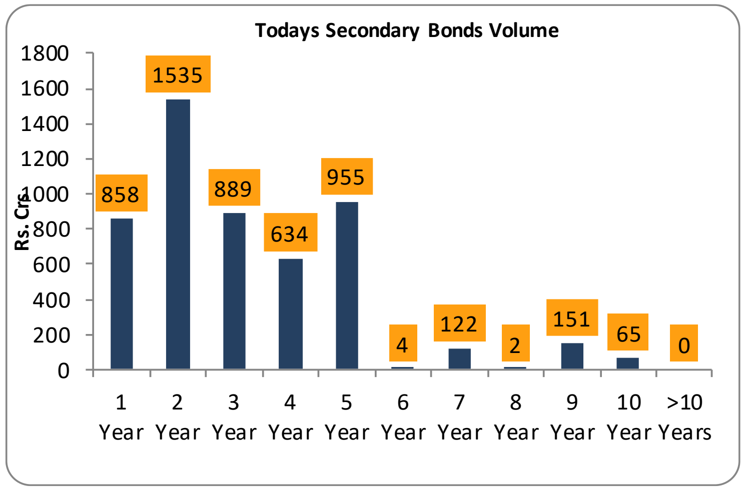
CP	14-May	13-May	7-May	13-Apr
3 Month	7.00	6.84	6.55	6.14
6 Month	7.25	7.20	7.05	6.80
1 Year	7.70	7.65	7.50	6.95

OIS Rate	14-May	13-May	7-May	13-Apr
1 Year	6.09	6.09	5.87	5.84
2 Year	6.27	6.30	6.09	6.02
3 Year	6.43	6.45	6.30	6.16
5 Year	6.61	6.66	6.51	6.36

	14-May	13-May	7-May	13-Apr
Sensex	75,399	74,609	77,845	76,848
Nifty	23,690	23,413	24,327	23,843
USD/INR	95.76	95.71	94.25	93.38
Gold (USD)	4,649	4,687	4,685	4,739
Oil (USD)	105.72	105.63	100.06	99.36

NDF	14-May	13-May	7-May	13-Apr
3 Month	96.70	96.66	95.37	94.61
1 Year	99.39	99.30	97.92	97.00
2 Year	102.63	102.44	101.06	101.23
3 Year	106.11	105.92	104.71	103.27





10 Year Benchmarks	14-May	13-May	7-May	13-Ap
India	7.02	7.05	6.93	6.9
US	4.46	4.48	4.39	4.3
South Korea	4.08	4.06	3.91	3.7
Brazil	14.25	14.36	13.95	13.6
Germany	3.05	3.11	3.00	3.0
China	1.75	1.87	1.76	1.8

Top Traded Securities	Volume	14-May	13-May	7-May	13-Apr
6.75 2029	0	6.51	6.56	6.45	6.45
6.79 2034	330	6.99	7.06	6.92	6.96
6.33 2035	115	6.90	6.94	6.83	6.74
6.92 2039	0	7.18	7.22	7.12	7.32
7.09 2054	0	7.62	7.60	7.50	7.56
7.34 2064	5	7.67	7.71	7.57	7.62

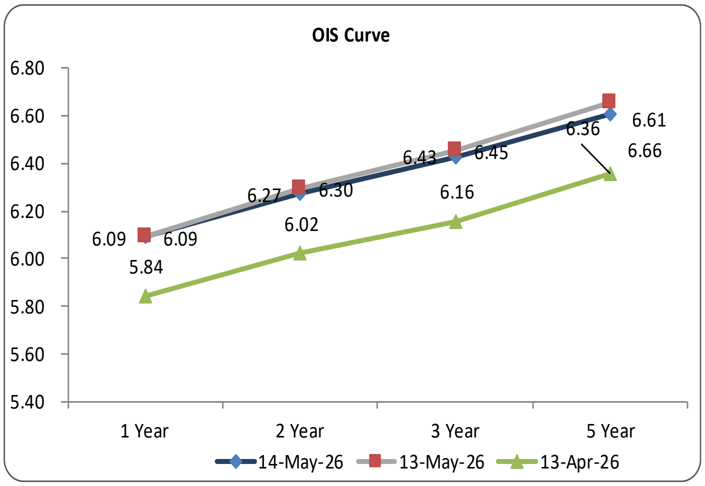
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
11-May-26	11,829	17,638	(5,808.87)	17,552	13,151	4,401.14	29,381	30,788	(1,40

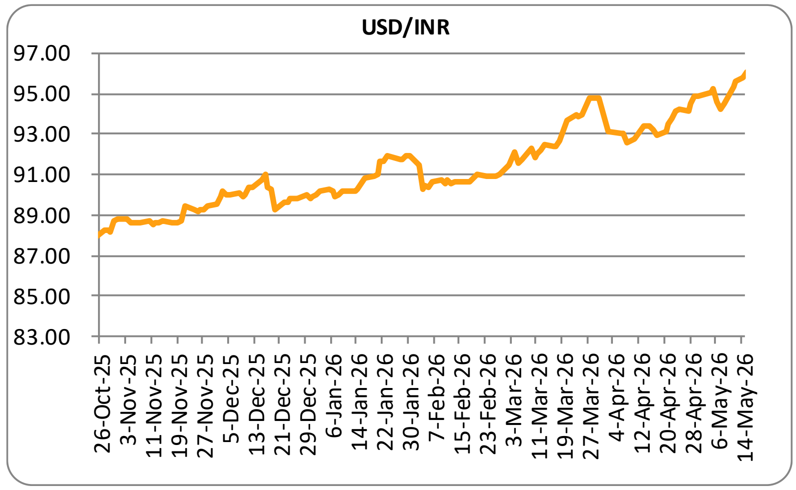
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
14-May-26	356	64	291.75	14697	18615	(3,918.60)	15053	18680	(3,62

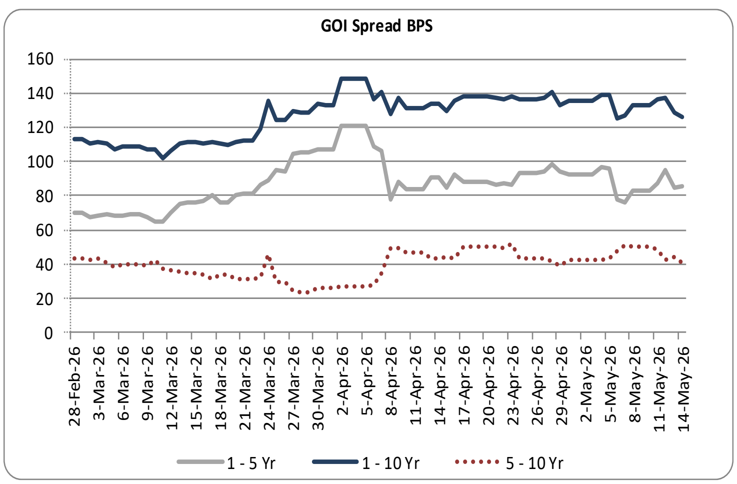
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-25	7.80	8.40
CAD ($ Bn)	Dec-25	(13.20)	(14.10)
Trade Deficit ($ Bn)	Dec-25	(93.60)	(89.10)
WPI (%)	Apr-26	8.30	3.88
CPI (%)	Apr-26	3.48	3.40
IIP (%)	Mar-26	4.10	5.10
PMI Manufacturing	Apr-26	54.70	53.90
PMI Service	Apr-26	58.80	57.50

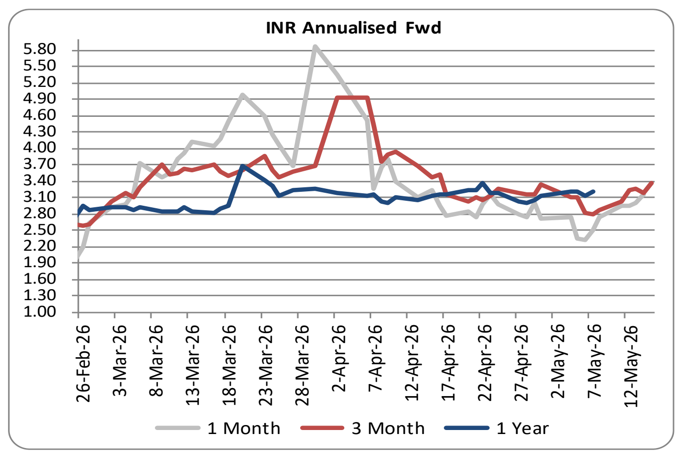
Economic Calender	Country	Date	Poll	Prior
Retail Sales (MoM) (Apr)	U.S.	14-05-2026	0.5	1.7
Core Retail Sales (MoM) (Apr)	U.S.	14-05-2026	0.7	1.9
Initial Jobless Claims	U.S.	14-05-2026	205K	200K
Trade Balance (Apr)	INDIA	15-05-2026	(27)B	(20.67)B
FX Reserves, USD	INDIA	15-05-2026		690.69B

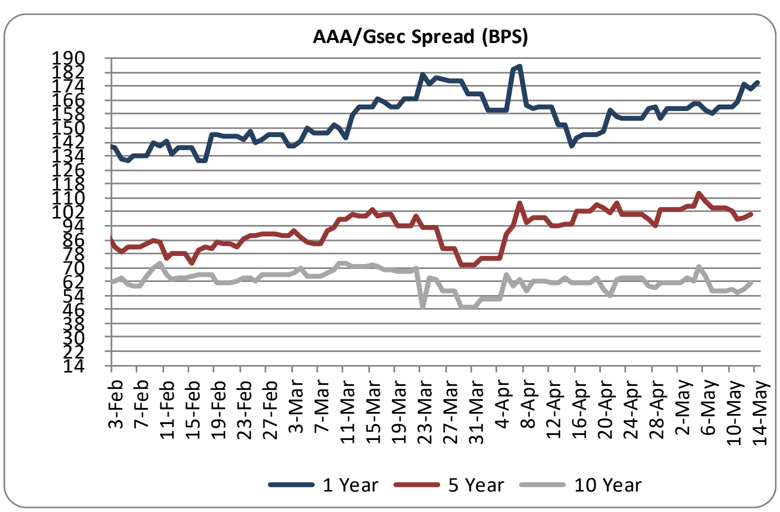
Bond Street

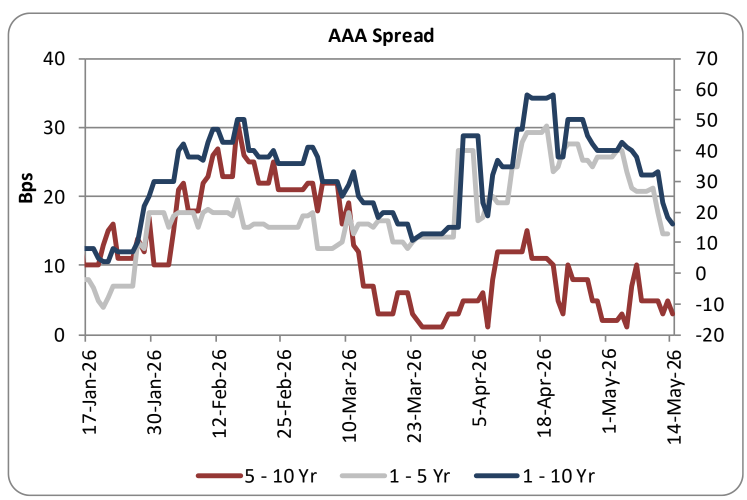

OIS Curve
6.80
6.60
6.40
6.20
6.00
5.80
5.60
5.40
6.09
6.09
5.84
6.27
6.30
6.02
6.43
6.45
6.16
6.36
6.61
6.66
1 Year
2 Year
3 Year
5 Year
14-May-26
13-May-26
13-Apr-26

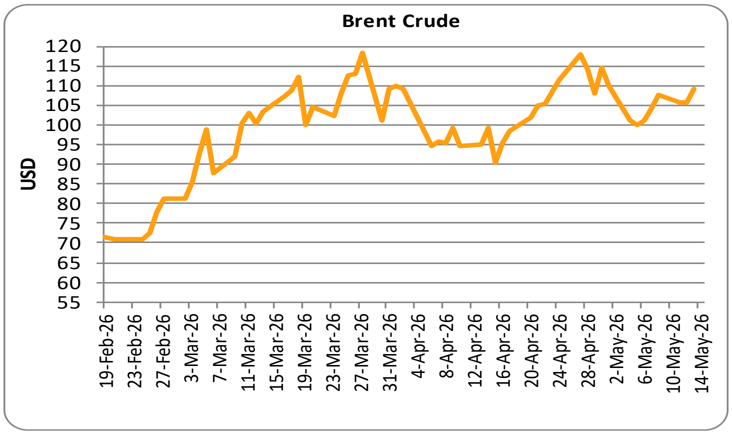

USD/INR
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
26-Oct-25
3-Nov-25
11-Nov-25
19-Nov-25
27-Nov-25
5-Dec-25
13-Dec-25
21-Dec-25
29-Dec-25
6-Jan-26
14-Jan-26
22-Jan-26
30-Jan-26
7-Feb-26
15-Feb-26
23-Feb-26
3-Mar-26
11-Mar-26
19-Mar-26
27-Mar-26
4-Apr-26
12-Apr-26
20-Apr-26
28-Apr-26
6-May-26
14-May-26

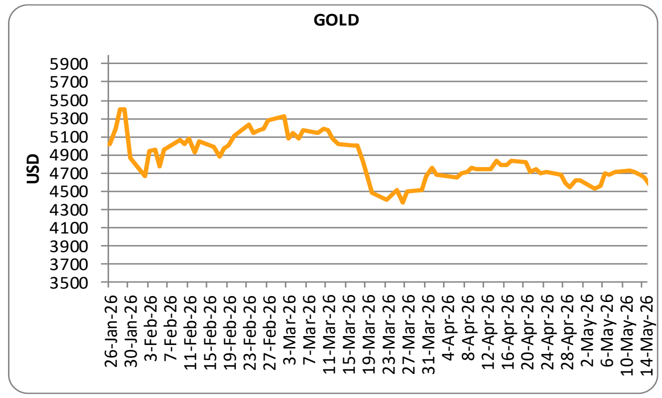

GOI Spread BPS
160
140
120
100
80
60
40
20
0
28-Feb-26
3-Mar-26
6-Mar-26
9-Mar-26
12-Mar-26
15-Mar-26
18-Mar-26
21-Mar-26
24-Mar-26
27-Mar-26
30-Mar-26
2-Apr-26
5-Apr-26
8-Apr-26
11-Apr-26
14-Apr-26
17-Apr-26
20-Apr-26
23-Apr-26
26-Apr-26
29-Apr-26
2-May-26
5-May-26
8-May-26
11-May-26
14-May-26
1 - 5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

The information in this document has been printed based on publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand, or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/ solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith.

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/