Bond Street

BONDWATCH

INDIA

Daily

15-05-2026

The benchmark 6.48% 2035 bond yield closed at 7.0644% on Friday from 7.0203% on Thursday. The yield on the new 10-year 6.94% 2036 bond was up 4bps at 7.0158%.

Indian government bonds saw their steepest weekly decline in six weeks, pressured by surging oil prices and elevated U.S. Treasury yields.

Bond yields opened the week on a firm note, rising from last week's close of 6.9809% after President Trump rejected Iran's peace proposal. The uptrend persisted midweek, overshadowing India's softer-than-expected CPI print, before easing slightly to 7.02% on Thursday from 7.05% Wednesday as reports suggested potential tax relief for foreign investors in domestic bonds. By week's end, yields resumed their climb as a domestic fuel price hike reignited inflation concerns and U.S. Treasury yields at one-year highs weighed on emerging-market debt.

The rupee depreciated steadily through the week, hitting an all-time low of 96.1350 on Friday while India's OIS rates jumped through the week led by rate hike worries.

The benchmark Brent crude contract rose 7%, moving closer to $110 per barrel, as a deadlock between Iran and U.S. raised bets of supply concerns. President Donald Trump has said he is losing patience with Iran.

Market Observations.
G-sec

Bearish momentum persisted as the 6.48% 2035 bond opened 2.5 bps lower at 7.0462, with yield climbing to 7.0950 intraday as the rupee slumped to a record 96.16 per U.S. dollar.

Auction cut-off aligned with market expectations, while the new 40-year G-Sec drew strong demand from insurers and foreign banks.

Selling pressure was concentrated at the short end, with T-Bills and the 1-year G-Sec trading about 5 bps above prior levels.

Corp Bond

Trading activity was largely concentrated in the medium-term segment followed by short MMY segment. AAA-rated PSU indicative yields rose across the curve with the 1Y traded at 7.67%, the 3Y at 7.83% the 5Y at 7.85%, and the 10Y at 7.83%.

CP/CD

CD yields remained flattish across segments with the 3-month at 6.95%, the 6-month at 7.20% and the 1-year at 7.65% Trading volumes were concentrated in 2M, 3M and the JFM segment with banks and mutual funds being the major market participant.

GOI Yield	15-May	14-May	8-May	15-Apr
1 Year	5.76	5.76	5.65	5.57
5 Year	6.64	6.61	6.48	6.42
10 Year	7.06	7.02	6.98	6.87

AAA Bmk	15-May	14-May	8-May	15-Apr
1 Year	7.67	7.60	7.35	7.04
5 Year	7.85	7.73	7.62	7.47
10 Year	7.83	7.76	7.67	7.62

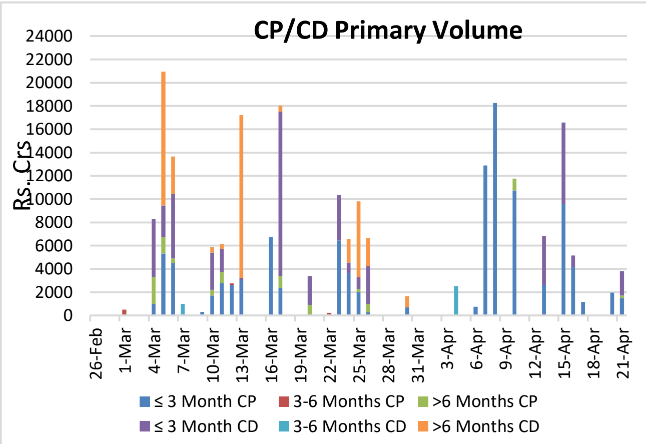
CD	15-May	14-May	8-May	15-Apr
3 Month	6.95	6.95	6.55	6.09
6 Month	7.20	7.20	7.00	6.75
1 Year	7.65	7.65	7.45	6.95

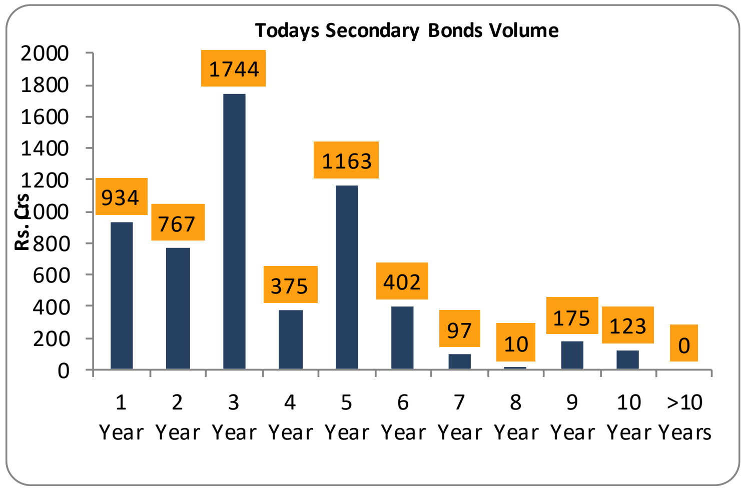
CP	15-May	14-May	8-May	15-Apr
3 Month	7.00	7.00	6.60	6.14
6 Month	7.25	7.25	7.05	6.80
1 Year	7.70	7.70	7.50	7.00

OIS Rate	15-May	14-May	8-May	15-Apr
1 Year	6.17	6.09	5.90	5.76
2 Year	6.40	6.27	6.13	5.98
3 Year	6.52	6.43	6.33	6.11
5 Year	6.71	6.61	6.56	6.33

	15-May	14-May	8-May	15-Apr
Sensex	75,238	75,399	77,328	78,111
Nifty	23,644	23,690	24,176	24,231
USD/INR	95.97	95.76	94.48	93.37
Gold (USD)	4,538	4,649	4,714	4,790
Oil (USD)	109.26	105.72	101.29	94.93

NDF	15-May	14-May	8-May	15-Apr
3 Month	96.92	96.70	95.35	94.50
1 Year	99.60	99.39	98.00	97.11
2 Year	102.87	102.63	101.03	99.85
3 Year	106.35	106.11	104.51	103.17





10 Year Benchmarks	15-May	14-May	8-May	15-A
India	7.06	7.02	6.98	6.8
US	4.60	4.46	4.36	4.2
South Korea	4.17	4.08	3.91	3.6
Brazil	14.46	14.25	13.89	13.6
Germany	3.15	3.05	3.00	3.0
China	1.77	1.75	1.77	1.7

Top Traded Securities	Volume	15-May	14-May	8-May	15-Apr
6.75 2029	0	6.53	6.51	6.44	6.43
6.79 2034	0	7.06	6.99	6.96	6.90
6.33 2035	0	6.95	6.90	6.88	6.71
6.92 2039	0	#N/A	7.18	7.15	7.32
7.09 2054	0	7.66	7.62	7.50	7.52
7.34 2064	0	7.75	7.67	7.60	7.59

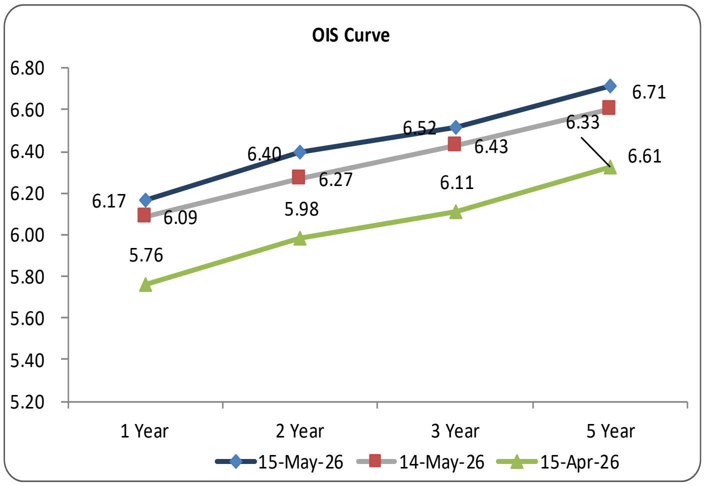
DEBT				EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
11-May-26	11,829	17,638	(5,808.87)	17,552	13,151	4,401.14	29,381	30,788	(1,40

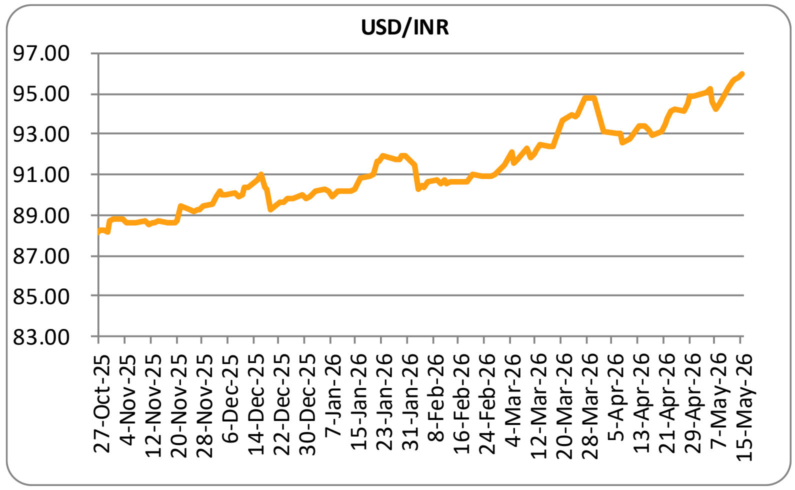
DEBT				EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investm
15-May-26	286	454	(168.17)	17137	16025	1,111.53	17423	16479	94

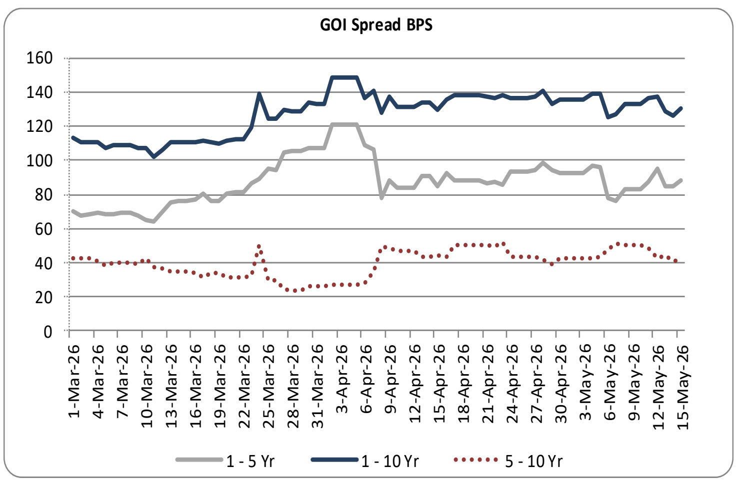
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-25	7.80	8.40
CAD ($ Bn)	Dec-25	(13.20)	(14.10)
Trade Deficit ($ Bn)	Dec-25	(93.60)	(89.10)
WPI (%)	Apr-26	8.30	3.88
CPI (%)	Apr-26	3.48	3.40
IIP (%)	Mar-26	4.10	5.10
PMI Manufacturing	Apr-26	54.70	53.90
PMI Service	Apr-26	58.80	57.50

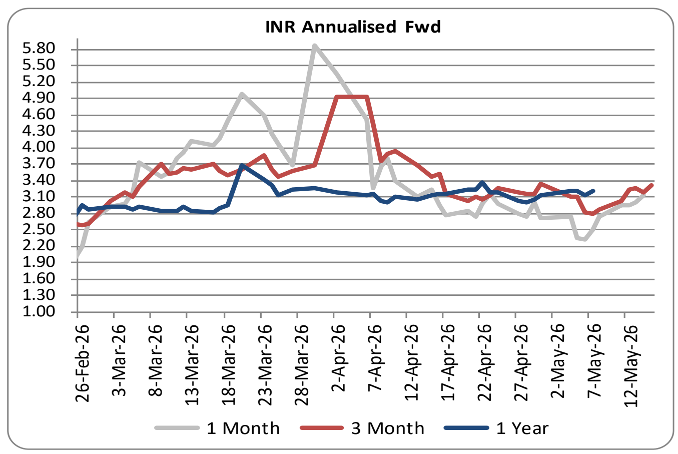
Economic Calender	Country	Date	Poll	Prior
GDP (QoQ) (Q1)	JAPAN	19-05-2026		0.3
CPI (YoY) (Apr)	UK	20-05-2026		3.3
CPI (YoY) (Apr)	EU	20-05-2026	3	2.6
Crude Oil Inventories	US	20-05-2026		(4.306)M
FOMC Meeting Minutes	US	20-05-2026		

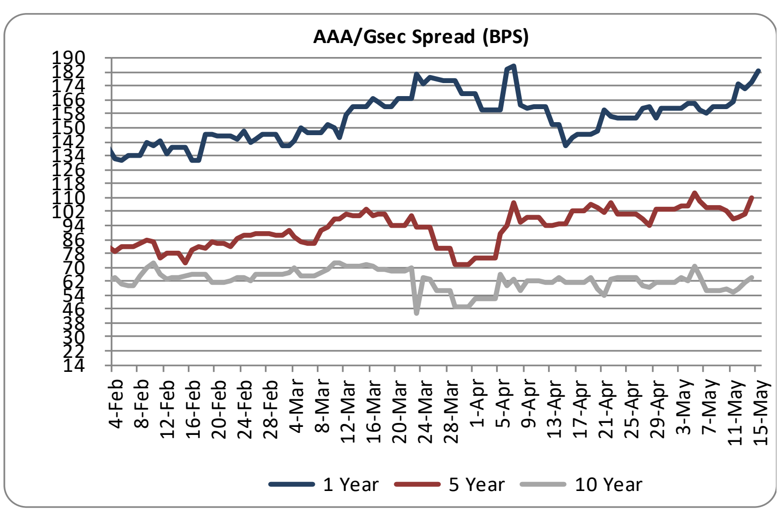
Bond Street

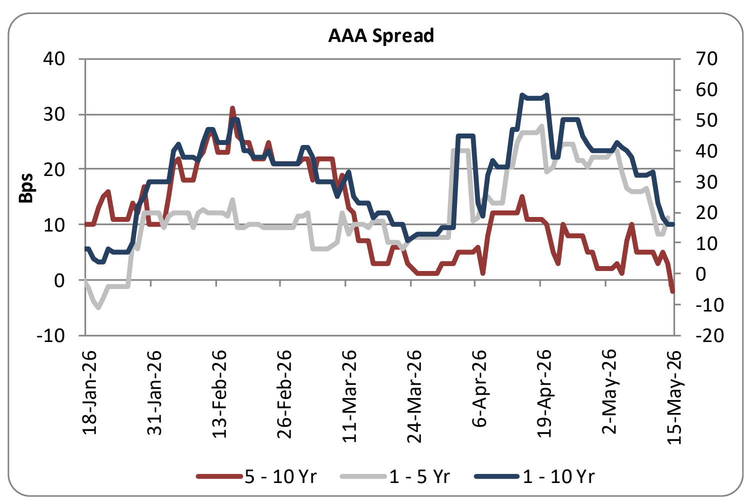

OIS Curve
6.80
6.60
6.40
6.20
6.00
5.80
5.60
5.40
5.20
6.71
6.52
6.33
6.61
6.40
6.43
6.27
6.11
6.17
6.09
5.98
5.76
1 Year
2 Year
3 Year
5 Year
15-May-26
14-May-26
15-Apr-26

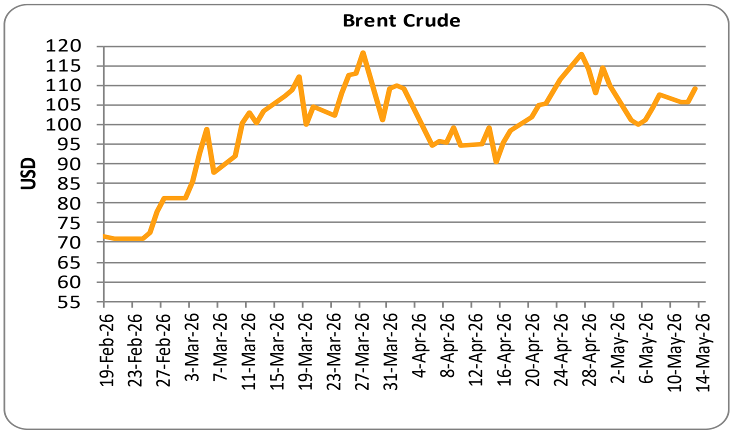

USD/INR
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
27-Oct-25
4-Nov-25
12-Nov-25
20-Nov-25
28-Nov-25
6-Dec-25
14-Dec-25
22-Dec-25
30-Dec-25
7-Jan-26
15-Jan-26
23-Jan-26
31-Jan-26
8-Feb-26
16-Feb-26
24-Feb-26
4-Mar-26
12-Mar-26
20-Mar-26
28-Mar-26
5-Apr-26
13-Apr-26
21-Apr-26
29-Apr-26
7-May-26
15-May-26

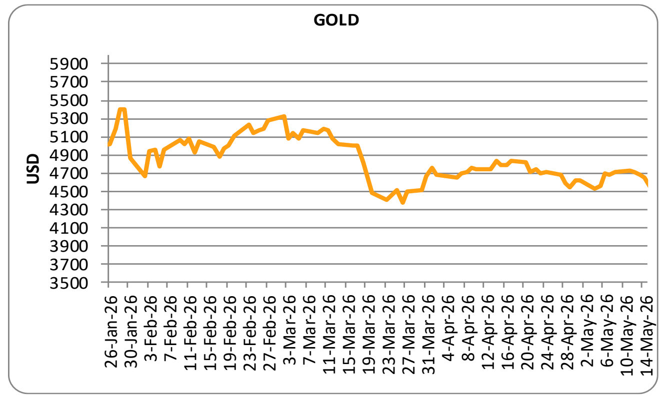

GOI Spread BPS
160
140
120
100
80
60
40
20
0
1-Mar-26
4-Mar-26
7-Mar-26
10-Mar-26
13-Mar-26
16-Mar-26
19-Mar-26
22-Mar-26
25-Mar-26
28-Mar-26
31-Mar-26
3-Apr-26
6-Apr-26
9-Apr-26
12-Apr-26
15-Apr-26
18-Apr-26
21-Apr-26
24-Apr-26
27-Apr-26
30-Apr-26
3-May-26
6-May-26
9-May-26
12-May-26
15-May-26
1 - 5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


AAA Spread
Bps
40
30
20
10
0
-10
70
60
50
40
30
20
10
0
-10
-20
18-Jan-26
31-Jan-26
13-Feb-26
26-Feb-26
11-Mar-26
24-Mar-26
6-Apr-26
19-Apr-26
2-May-26
15-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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