Bond Street

BondWatch

INDIA

Daily

24-08-2026

The benchmark 6.94 2036 bond yield closed at 6.8495% vs 6.8709% in the previous session.

The Indian benchmark 10-year yield surged 9.5 bps over the week, its sharpest weekly rise since the week ended April 3.

India Bond yields this week were driven by dented sentiment both domestically and globally, with yields rising across the curve on the back of the early closure of the FCNR swap window, rising oil prices, hawkish MPC minutes, and stress in global bond markets.

The 10Y Yield rose to 6.81% on Monday, up from 6.76% last Friday, after the RBI's surprise advance closure of the FCNR swap window, with the 5-year yield rising the most by 8 bps. Higher oil prices and a global bond sell-off further weighed on sentiment through the week. Following the hawkish MPC minutes on Wednesday, the 10-year yield rose nearly 5 bps to 6.87% on Thursday from its previous close, fueling bets of rate hike a view also reflected in OIS rates, where the 1-year OIS rose 17 bps to 5.90%, while the 5-year OIS also surged 17 bps to 6.42%

The 5Y note led the losses, as a prime beneficiary of the FCNR facility, with its yield spiking 13 bps for the week, its largest weekly rise since early May.

Brent crude futures climbed as much as 6% for a second straight week, reaching $93 a barrel, as the 60-day U.S.-Iran interim deal lapsed without indications of an extension, fueling concerns over renewed supply disruptions.

Government bond yields around the world rose this week amid growing concerns over the inflation outlook and the prospect of higher fiscal spending.

Market Observations

G-sec

Size buying demand was visible in 5 year & 6-year maturity SDLs (2031 / 2032) at 7.12 and 7.20 centric levels. Here Private Banks acted as buyers and Pension Funds / Mutual Funds as sellers.

The G-sec cutoff was in line with market expectations for the 50-year maturity, but came in weak for the 15-year segment.

Selling was observed in 10-year SDLs from mutual funds, while pension funds showed demand for 12–13-year SDLs.

Corp Bond

Over the week, AAA rated PSU bond Yields surged 10-15 bps across the curve, weighed by negative sentiment from the early closure of FCNR deposit scheme and rising rate hike bets following hawkish MPC minutes with benchmark indicative levels at 7.46% for the 1-year vs 7.35, 7.60% for the 5-year vs 7.38% and 7.69% for the 10-year vs 7.50%. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

Banking system liquidity has stayed in surplus mode, aided by strong FCNR(B) deposit inflows, while the surplus has narrowed to ₹3.5 lakh crore as of August 20 from ₹3.9 lakh crore last week. RBI has been conducting VRRR auctions to mop up excess liquidity, even as GST related outflows continue to drain liquidity from the banking system. RBI's surprise move to close the FCNR scheme early, along with the hawkish tone of the latest MPC minutes, has driven CD yields higher across the curve over the week with the 3M (Nov maturity) at 6.56% vs 6.40% last week, 6M (Feb maturity) at 6.96%

GOI Yield	24-Aug	21-Aug	17-Aug	24-Jul
1 Year	5.74	5.73	5.7	5.7
5 Year	6.4965	6.4768	6.4352	6.4906
10 Year	6.8708	6.8495	6.8071	6.8253

AAA Bmk	24-Aug	21-Aug	17-Aug	24-Jul
1 Year	7.48	7.46	7.36	7.4
5 Year	7.62	7.6	7.43	7.42
10 Year	7.65	7.69	7.54	7.5

CD	24-Aug	21-Aug	17-Aug	24-Jul
3 Month	6.48	6.56	6.35	6.8
6 Month	6.9	6.96	6.73	7
1 Year	7.3	7.3	7.12	7.2

CP	24-Aug	21-Aug	17-Aug	24-Jul
3 Month	6.53	6.61	6.4	6.85
6 Month	6.95	7.01	6.78	7.05
1 Year	7.35	7.35	7.17	7.25

OIS Rate	24-Aug	21-Aug	17-Aug	24-Jul
1 Year	5.92	5.9025	5.7875	5.995
2 Year	6.135	6.125	5.9975	6.1875
3 Year	6.26	6.2475	6.135	6.3
5 Year	6.45	6.42	6.34	6.49

	24-Aug	21-Aug	17-Aug	24-Jul
Sensex	77,581	77,541	77,728	76,060
Nifty	24,266	24,252	24,288	23,767
USD/INR	95.69	95.70	95.60	96.56
Gold (USD)	4,632	4,603	4,415	4,053
Oil (USD)	93.08	94.39	90.87	96.78

NDF	24-Aug	21-Aug	17-Aug	24-Jul
3 Month	96.4352	96.3907	96.5023	97.3747
1 Year	98.7327	98.6757	98.7723	99.7172
2 Year	101.76	101.59	101.627	102.54
3 Year	105.1	105.09	104.735	105.925

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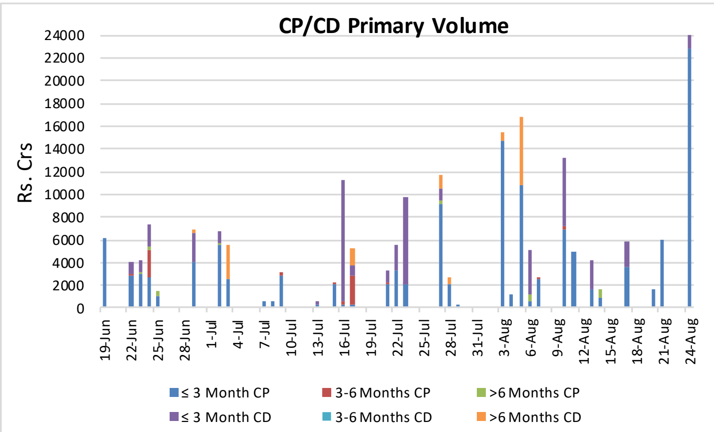
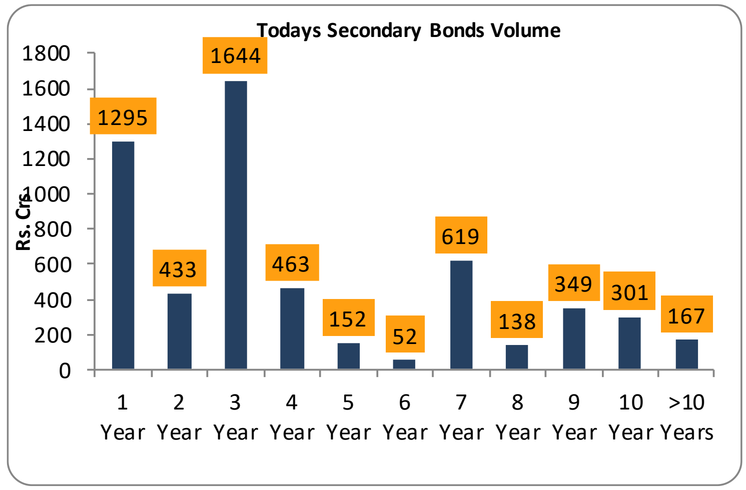




10 Year Benchmarks	24-Aug	21-Aug	17-Aug	24-Jul
India	6.87	6.85	6.81	6.83
US	4.71	4.74	4.72	4.68
South Korea	4.35	4.41	4.30	4.45
Brazil	14.64	14.64	14.85	14.84
Germany	3.26	3.26	3.22	3.17
China	1.68	1.70	1.68	1.73

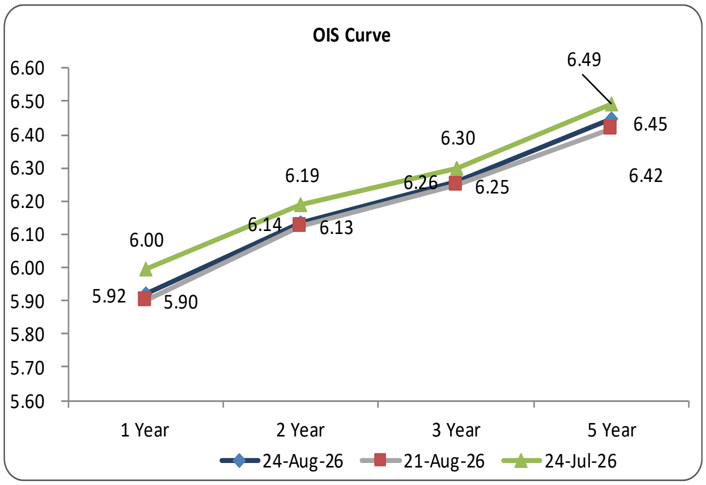
Top Traded Securities	Volume	24-Aug	21-Aug	17-Aug	24-Jul
6.75 2029	#NAME?	#N/A	6.4737	6.413	6.2776
6.79 2034	#NAME?	6.8204	6.8127	6.7635	6.7923
6.33 2035	#NAME?	#N/A	6.7863	6.7234	6.7638
6.92 2039	#NAME?	#N/A	6.9416	6.9241	7.0353
7.09 2054	#NAME?	7.5103	7.467	7.3704	7.4886
7.34 2064	#NAME?	7.6059	7.5614	7.5359	7.5848

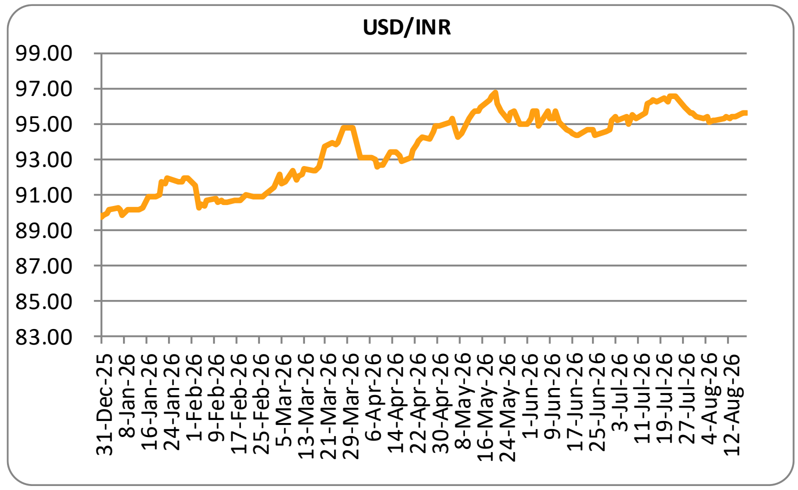
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
14-Aug-26	-	-	-	-	-	-	-	-	-

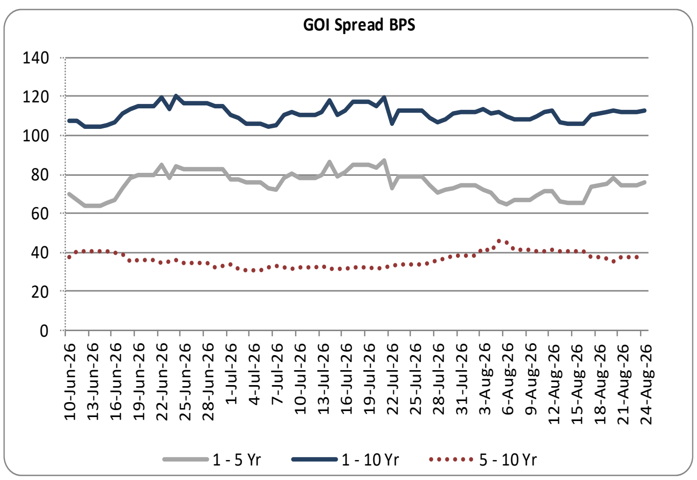
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
25-Aug-26	0	0	-	0	0	-	0	0	-

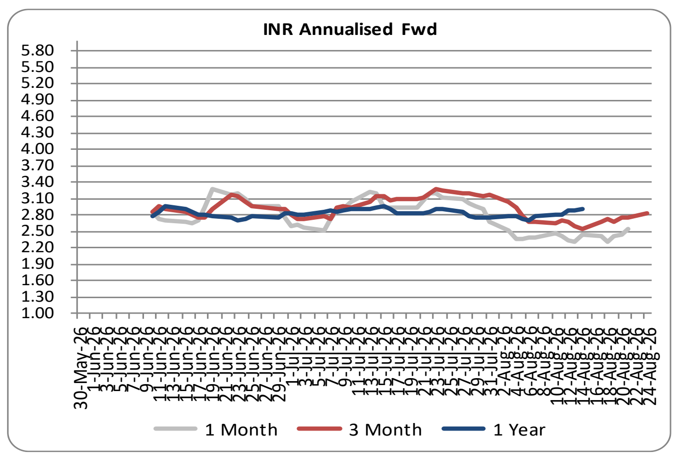
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Jun-26	(3.10)	7.10
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jul-26	9.78	9.87
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

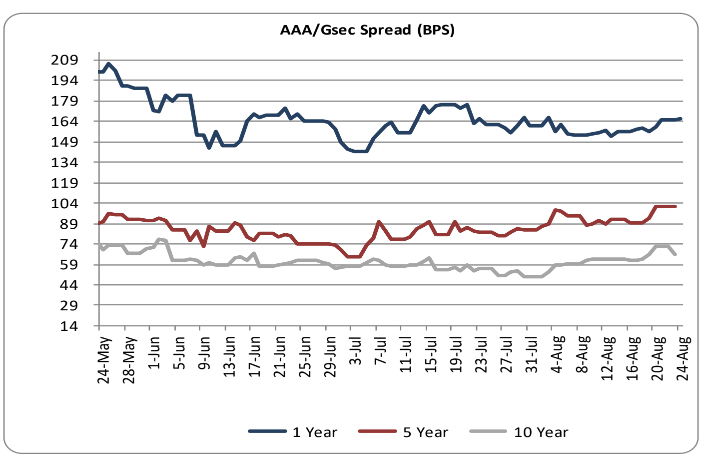
Economic Calender	Country	Date	Poll	Prior
CB Consumer Confidence (Aug)	US	46259		90.8
New Home Sales (Jul)	US	46259		
Core PCE Price Index (YoY) (Jul)	US	46260		#REF!
Core PCE Price Index (MoM) (Jul)	US	46260		
GDP (QoQ) (Q2) P	US	46260		
Crude Oil Inventories	US	46260		2.1%

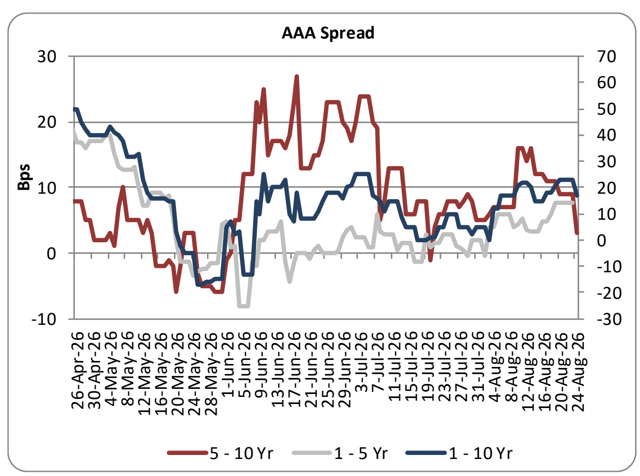

OIS Curve
6.60
6.50
6.40
6.30
6.20
6.10
6.00
5.90
5.80
5.70
5.60
6.49
6.45
6.42
6.30
6.26
6.25
6.19
6.14
6.13
6.00
5.92
5.90
1 Year
2 Year
3 Year
5 Year
24-Aug-26
21-Aug-26
24-Jul-26

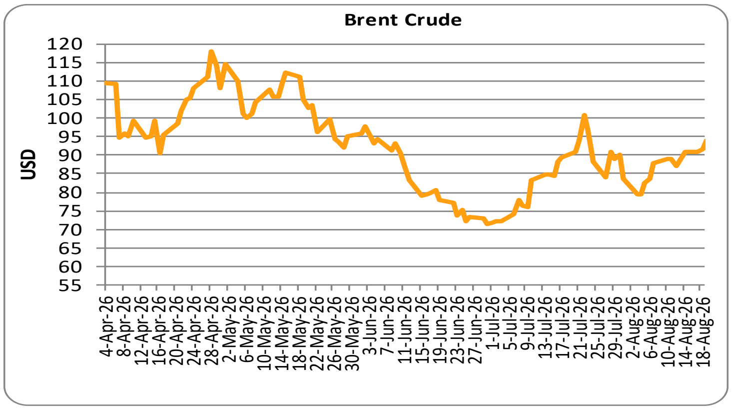

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
31-Dec-25
8-Jan-26
16-Jan-26
24-Jan-26
1-Feb-26
9-Feb-26
17-Feb-26
25-Feb-26
5-Mar-26
13-Mar-26
21-Mar-26
29-Mar-26
6-Apr-26
14-Apr-26
22-Apr-26
30-Apr-26
8-May-26
16-May-26
24-May-26
1-Jun-26
9-Jun-26
17-Jun-26
25-Jun-26
3-Jul-26
11-Jul-26
19-Jul-26
27-Jul-26
4-Aug-26
12-Aug-26

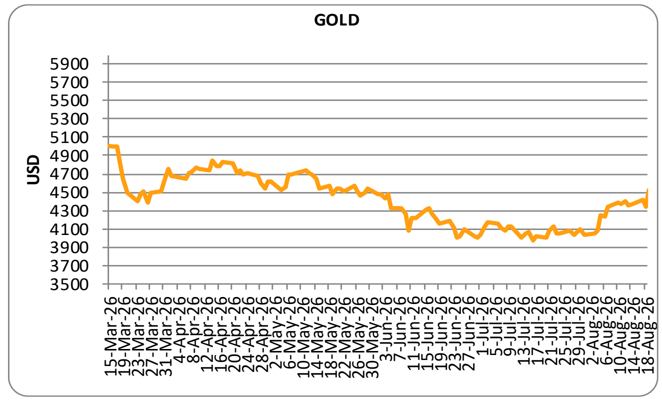

GOI Spread BPS
140
120
100
80
60
40
20
0
10-Jun-26
13-Jun-26
16-Jun-26
19-Jun-26
22-Jun-26
25-Jun-26
28-Jun-26
1-Jul-26
4-Jul-26
7-Jul-26
10-Jul-26
13-Jul-26
16-Jul-26
19-Jul-26
22-Jul-26
25-Jul-26
28-Jul-26
31-Jul-26
3-Aug-26
6-Aug-26
9-Aug-26
12-Aug-26
15-Aug-26
18-Aug-26
21-Aug-26
24-Aug-26
1 - 5 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
1 Month
3 Month
1 Year


AAA/Gsec Spread (BPS)
209
194
179
164
149
134
119
104
89
74
59
44
29
14
24-May
28-May
1-Jun
5-Jun
9-Jun
13-Jun
17-Jun
21-Jun
25-Jun
29-Jun
3-Jul
7-Jul
11-Jul
15-Jul
19-Jul
23-Jul
27-Jul
31-Jul
4-Aug
8-Aug
12-Aug
16-Aug
20-Aug
24-Aug
1 Year
5 Year
10 Year


AAA Spread
Bps
30
20
10
0
-10
70
60
50
40
30
20
10
0
-10
-20
-30
26-Apr-26
30-Apr-26
4-May-26
8-May-26
12-May-26
16-May-26
20-May-26
24-May-26
28-May-26
1-Jun-26
5-Jun-26
9-Jun-26
13-Jun-26
17-Jun-26
21-Jun-26
25-Jun-26
29-Jun-26
3-Jul-26
7-Jul-26
11-Jul-26
15-Jul-26
19-Jul-26
23-Jul-26
27-Jul-26
31-Jul-26
4-Aug-26
8-Aug-26
12-Aug-26
16-Aug-26
20-Aug-26
24-Aug-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

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