Bond Street

BONDWATCH

INDIA

Daily

25-08-2026

The benchmark 6.94 2036 bond yield closed at 6.8488% vs 6.8708% in the previous session.

The Indian benchmark bond yield eased on Tuesday as oil prices dropped, with markets treating the fresh Iran sanctions as the lesser risk compared with a wider military conflict. OIS rates eased in line with bond yields and oil prices with the 5Y OIS rate eased 10bps at 6.3475%.

Indian markets were already under pressure after central bank minutes came in more hawkish than expected, along with the early closure of a dollar-attracting scheme.

U.S. Treasury Secretary Scott Bessent had warned countries on Monday to cut their financial ties with Iran or face secondary sanctions.

Oil fell over 3% to a one-week low Tuesday, with Brent down to $89.21 and WTI to $82.17, as traders shrugged off new U.S. sanctions on Iran as less risky to supply than military escalation, even as Iran vowed retaliation, Strait of Hormuz traffic hit a three-month low, and an oil tanker was struck near Oman.

Euro zone bond yields eased Tuesday, with Germany's 10-year down 3bps to 3.222%, its 30-year off 2bps to 3.728%, and France's 30-year down 4bps to 4.862% as Iran sanctions seen as a threat rather than a trigger. U.S. Treasury yields fell Monday, with the 10-year down nearly 4bps to 4.698% and the 2-year flat at 4.234%, as oil prices retreated and traders weighed a report that the Treasury may tap its cash account to fund expanded debt buybacks, alongside continued focus on Iran sanctions and Friday's Jackson Hole speech from Fed Chair Kevin Warsh.

The Indian debt market will remain shut on Wednesday for a local holiday.

Market Observations

G-sec

SDL cut-off came In-Line with market expectations where states were able to successfully borrow 20,100 crs worth of bonds.

Size buying demand was visible in 4-year maturity SDLs (JFM 2030) at 7.05 centric levels. Here Private Banks acted as buyers and Primary Dealers / Mutual Funds / Foreign Banks as sellers.

Corp Bond

AAA rated PSU bond yields remained more or less flattish across the curve, with benchmark indicative levels at 7.55% for the 1-year, 7.64% for the 5-year and 7.65% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

CD rates eased 5-7bps across segments with the 3M (Nov maturity) at 6.40%, 6M (Feb maturity) at 6.80% and 1Y (Aug maturity) at 7.25%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	25-Aug	24-Aug	18-Aug	24-Jul
1 Year	5.74	5.74	5.71	5.7
5 Year	6.46	6.4965	6.4508	6.4906
10 Year	6.8488	6.8708	6.8262	6.8253

AAA Bmk	25-Aug	24-Aug	18-Aug	24-Jul
1 Year	7.55	7.48	7.38	7.4
5 Year	7.64	7.62	7.45	7.42
10 Year	7.65	7.65	7.56	7.5

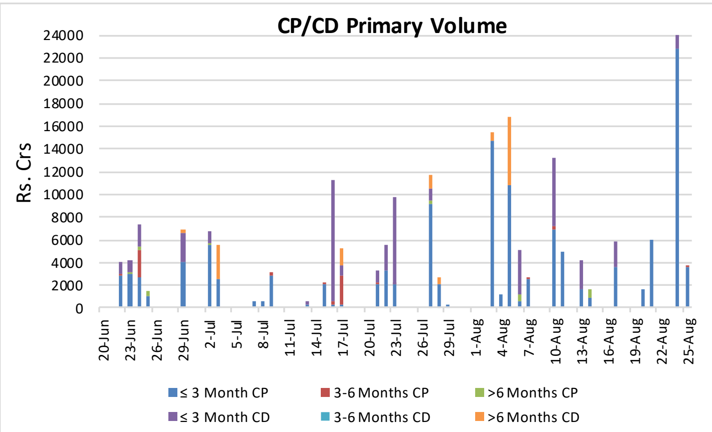
CD	25-Aug	24-Aug	18-Aug	24-Jul
3 Month	6.4	6.48	6.4	6.8
6 Month	6.8	6.9	6.73	7
1 Year	7.25	7.3	7.15	7.2

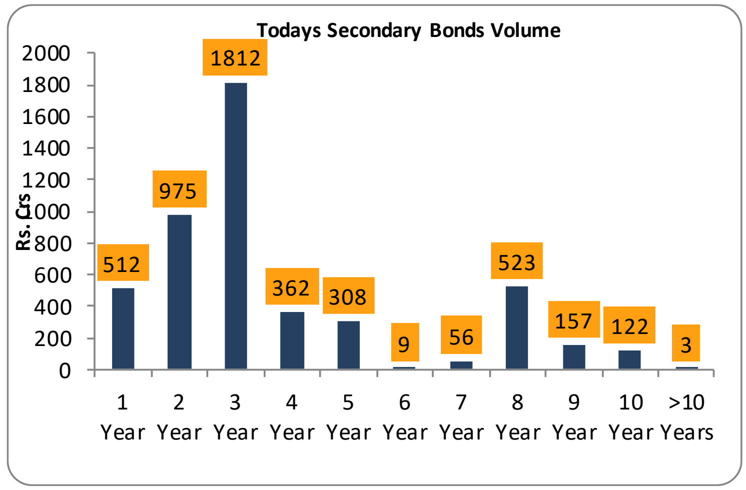
CP	25-Aug	24-Aug	18-Aug	24-Jul
3 Month	6.45	6.53	6.45	6.85
6 Month	6.85	6.95	6.78	7.05
1 Year	7.3	7.35	7.2	7.25

OIS Rate	25-Aug	24-Aug	18-Aug	24-Jul
1 Year	5.855	5.92	5.82	5.995
2 Year	6.04	6.135	6.05	6.1875
3 Year	6.15	6.26	6.2	6.3
5 Year	6.3475	6.45	6.41	6.49

	25-Aug	24-Aug	18-Aug	24-Jul
Sensex	77,656	77,369	77,235	76,060
Nifty	24,335	24,219	24,155	23,767
USD/INR	95.41	95.75	95.68	96.56
Gold (USD)	4,639	4,651	4,333	4,053
Oil (USD)	89.33	92.17	91.02	96.78

NDF	25-Aug	24-Aug	18-Aug	24-Jul
3 Month	96.1831	96.5285	96.5703	97.3747
1 Year	98.4506	98.816	98.8478	99.7172
2 Year	101.355	101.68	101.725	102.54
3 Year	104.73	105.18	104.835	105.925





10 Year Benchmarks	25-Aug	24-Aug	18-Aug	24-Jul
India	6.86	6.87	6.83	6.83
US	4.67	4.70	4.71	4.68
South Korea	4.34	4.34	4.38	4.45
Brazil	14.63	14.63	14.90	14.84
Germany	3.22	3.25	3.26	3.17
China	1.69	1.69	1.68	1.73

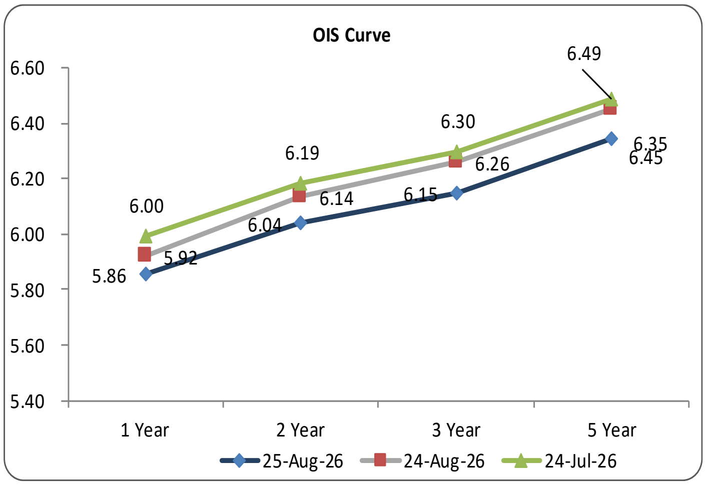
Top Traded Securities	Volume	25-Aug	24-Aug	18-Aug	24-Jul
6.75 2029	0	6.5005	6.3546	6.3637	6.2776
6.79 2034	130	6.8014	6.816	6.7558	6.7923
6.33 2035	30	6.7987	6.7707	6.8104	6.7638
6.92 2039	0	6.9709	6.9416	6.9346	7.0353
7.09 2054	50	7.4933	7.5034	7.4242	7.4886
7.34 2064	75	7.5892	7.5741	7.5415	7.5848

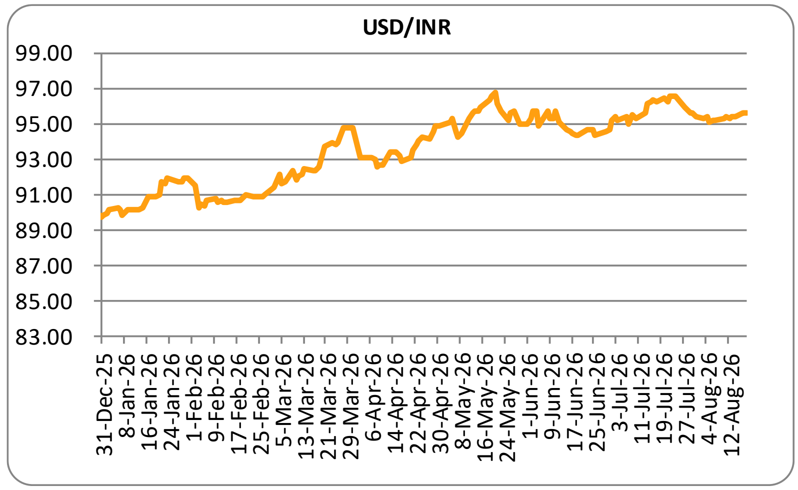
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
13-Aug-26	21,341	15,388	5,953.68	13,498	8,926	4,571.83	34,840	24,314	10,525.51

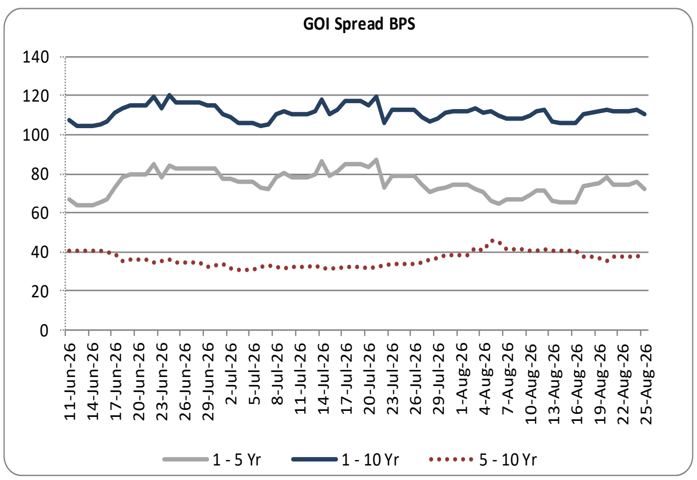
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
25-Aug-26	100.85	100.73	0.12	12943.22	11275.37	1,667.85	13044.07	11376.1	1,667.97

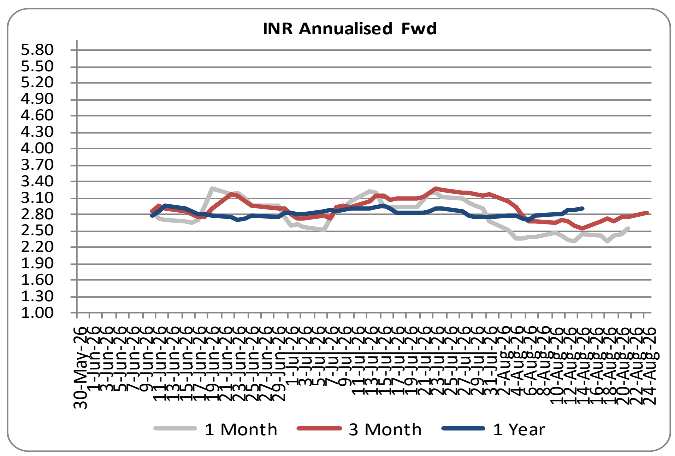
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Jun-26	(3.10)	7.10
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	Jul-26	9.78	9.87
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jun-26	7.30	5.00
PMI Manufacturing	Jul-26	53.50	54.20
PMI Service	Jul-26	53.30	57.40

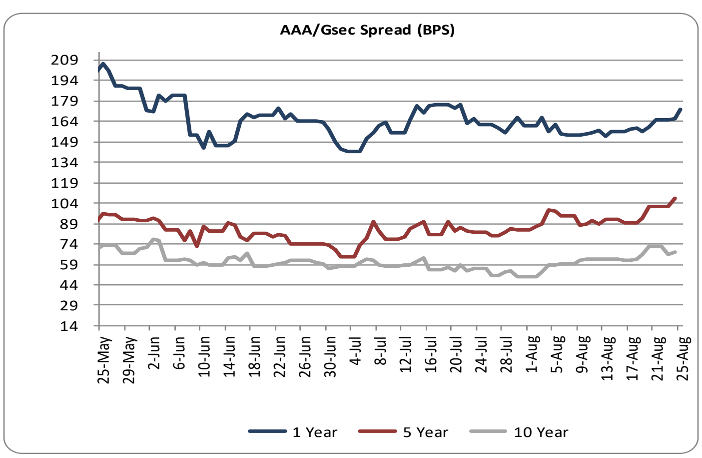
Economic Calender	Country	Date	Poll	Prior
CB Consumer Confidence (Aug)	US	46259		90.8
New Home Sales (Jul)	US	46259		
Core PCE Price Index (YoY) (Jul)	US	46260		#REF!
Core PCE Price Index (MoM) (Jul)	US	46260		
GDP (QoQ) (Q2) P	US	46260		
Crude Oil Inventories	US	46260		2.1%

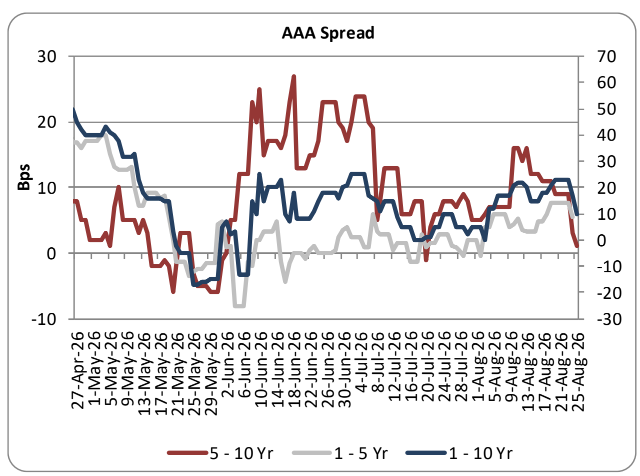

OIS Curve
6.60
6.40
6.20
6.00
5.80
5.60
5.40
6.49
6.30
6.19
6.00
6.04
6.14
6.15
6.26
6.35
6.45
5.92
5.86
1 Year
2 Year
3 Year
5 Year
25-Aug-26
24-Aug-26
24-Jul-26

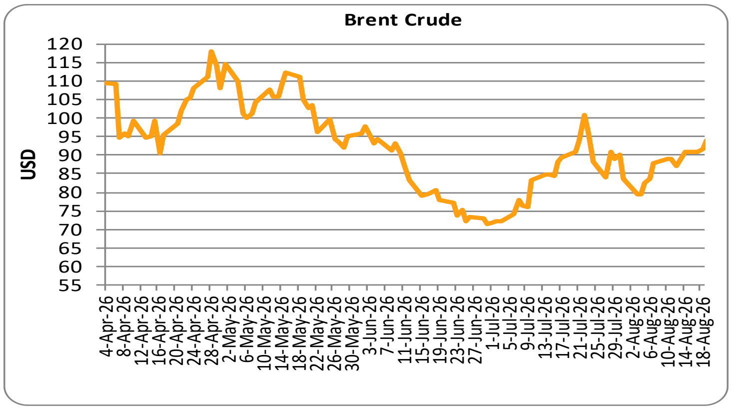

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00

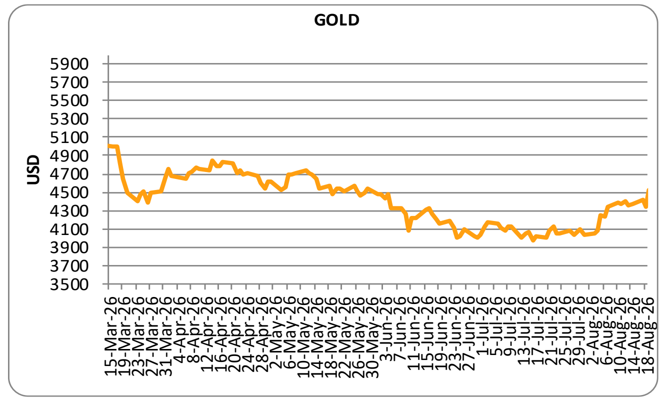

GOI Spread BPS
140
120
100
80
60
40
20
0
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


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.

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