Bond Street

BONDWATCH

INDIA

Daily

02-07-2026

The benchmark 6.94 2036 bond yield closed at 6.7180% on Thursday from 6.7563% on Wednesday.

India's 10-yr yield fell sharply on optimism over Bloomberg index inclusion and softer oil prices. OIS rates were more or less flattish with the 5Y OIS at 6.1975% while Rupee fell 0.15% vs U.S. dollar at 95.3925.

Oil slid for a third straight day, Brent down 1.5% to $70.5 and WTI off 1.6% to $67.5, as US-Iran talks in Doha eased Hormuz supply fears.

Indian Benchmark yield sharply eased in June as RBI measures to attract dollar inflows and the removal of foreign investment taxes boosted appeal. Foreign investors put in a record $3 billion into Indian government bonds in June, the biggest monthly inflow so far.

Globally, U.S. payrolls rose just 57k in June vs 110k expected, but jobless rate dipped to 4.2% while Fed Chair Warsh vowed to stick to the 2% inflation target, rejecting calls for looser policy. Euro zone yields edged higher, with Germany's 2-yr at 2.54% and 10-yr at 2.97%, as traders cut odds of another ECB hike. Japan's 10-yr yield climbed 4.5bp to 2.745% after a weak auction.

Market Observations.
G-sec

Size buying demand was visible by Mutual Funds in 3 months maturity Tbill (Oct 2026) at 5.24 levels, where Foreign Banks and Primary Dealers acted as major sellers.

17 to 21-year maturity SDLs (2043 to 2047) was actively traded at 7.60 centric levels, where Mutual Funds, Insurance Companies, Private Banks acted as buyers and Pension Funds as major sellers.

4 / 5-year maturity SDLs (2030 / 2031) was actively sought after by Private Banks at 6.85 & 6.95 levels, where Mutual Funds acted as sellers.

Corp Bond

Corporate bond yields eased across the curve tracking ease in G-sec yields on optimism over Bloomberg index inclusion and softer oil prices, with benchmark indicative levels at 7.10% for the 1 year, 7.20% for the 5 year and 7.35% for the 10 year. Trading activity was largely concentrated in the medium-term segment, followed by the short term MMY segment.

CP/CD

With Indian banking system liquidity surplus at ₹86,468 Crores, coupled with FCNR inflows expected to add more this quarter CD rates eased across segments with the 3M CD (Oct Maturity) at 6.21%, 6M (Jan Maturity) at 6.60% and 1Y (Jun 27 Mat) at 6.95%. Activity was concentrated in JFM and 2M–3M segments, led by banks and mutual funds.

GOI Yield	2-Jul	1-Jul	25-Jun	2-Jun
1 Year	5.63	5.65	5.60	5.98
5 Year	6.40	6.42	6.43	6.82
10 Year	6.72	6.76	6.77	7.01

AAA Bmk	2-Jul	1-Jul	25-Jun	2-Jun
1 Year	7.10	7.22	7.32	7.78
5 Year	7.20	7.26	7.27	7.85
10 Year	7.35	7.43	7.50	7.85

CD	2-Jul	1-Jul	25-Jun	2-Jun
3 Month	6.21	6.45	6.55	7.18
6 Month	6.60	6.75	6.90	7.60
1 Year	6.95	7.05	7.30	7.75

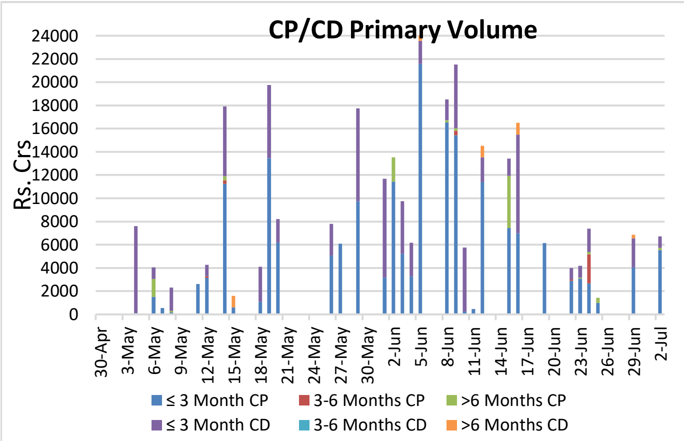
CP	2-Jul	1-Jul	25-Jun	2-Jun
3 Month	6.26	6.50	6.60	7.23
6 Month	6.65	6.80	6.95	7.65
1 Year	7.00	7.10	7.35	7.80

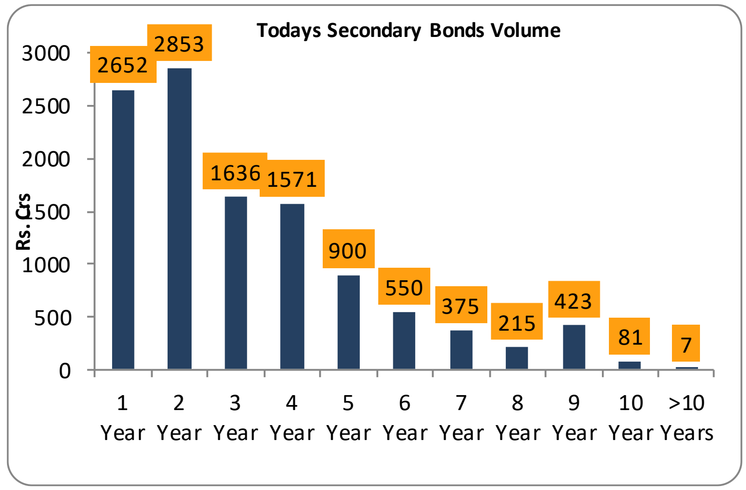
OIS Rate	2-Jul	1-Jul	25-Jun	2-Jun
1 Year	5.79	5.79	5.76	6.09
2 Year	5.93	5.93	5.91	6.30
3 Year	6.05	6.04	6.01	6.41
5 Year	6.20	6.22	6.18	6.60

	2-Jul	1-Jul	25-Jun	2-Jun
Sensex	77,502	76,923	77,100	74,650
Nifty	24,176	24,006	24,056	23,484
USD/INR	95.39	95.25	94.40	95.27
Gold (USD)	4,063	4,030	4,026	4,485
Oil (USD)	70.70	71.57	75.26	96.00

NDF	2-Jul	1-Jul	25-Jun	2-Jun
3 Month	96.16	95.98	95.37	96.42
1 Year	98.09	98.01	97.41	99.03
2 Year	100.73	100.59	99.92	101.96
3 Year	104.33	104.09	103.38	105.44

SC Bond Street





10 Year Benchmarks	2-Jul	1-Jul	25-Jun	2-Jun
India	6.72	6.76	6.77	7.01
US	4.49	4.48	4.39	4.46
South Korea	4.18	4.16	4.12	4.13
Brazil	14.50	14.50	14.28	14.26
Germany	2.97	2.92	2.86	2.97
China	1.77	1.74	1.73	1.71

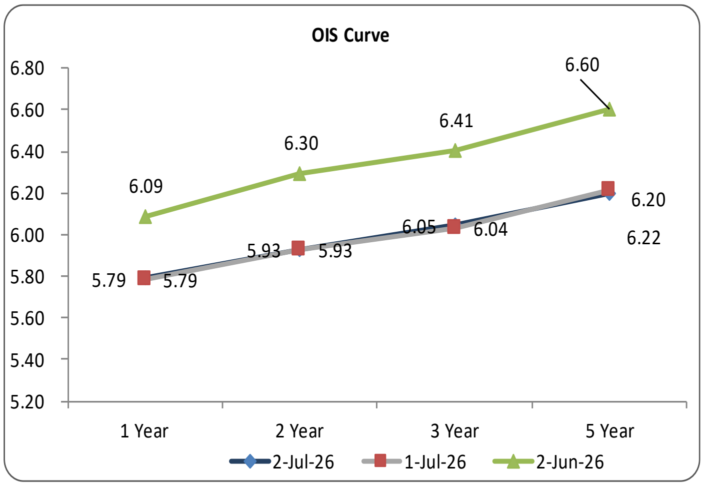
Top Traded Securities	Volume	2-Jul	1-Jul	25-Jun	2-Jun
6.75 2029	0	6.29	6.31	6.30	6.63
6.79 2034	150	6.72	6.74	6.73	7.03
6.33 2035	0	6.71	6.73	6.75	6.90
6.92 2039	5	6.91	6.94	7.12	7.25
7.09 2054	0	7.33	7.34	7.37	7.64
7.34 2064	90	7.43	7.43	7.49	7.75

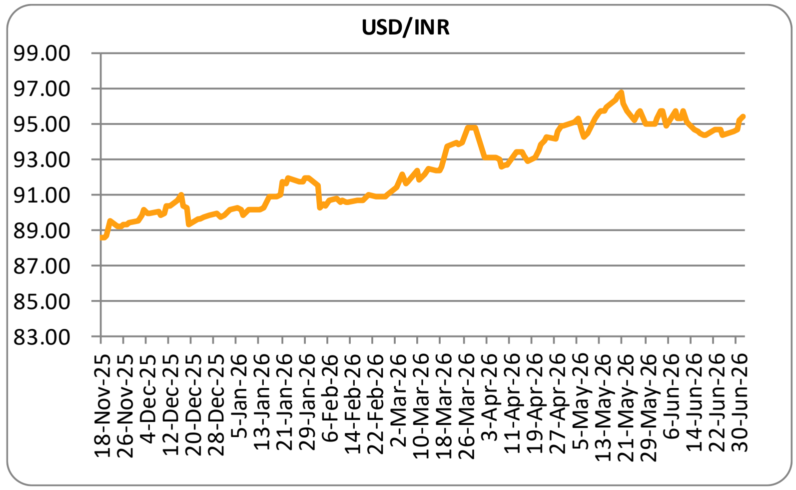
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
30-Jun-26	13,516	17,519	(4,002.76)	36,216	36,786	(570.44)	49,732	54,305	(4,573.20)

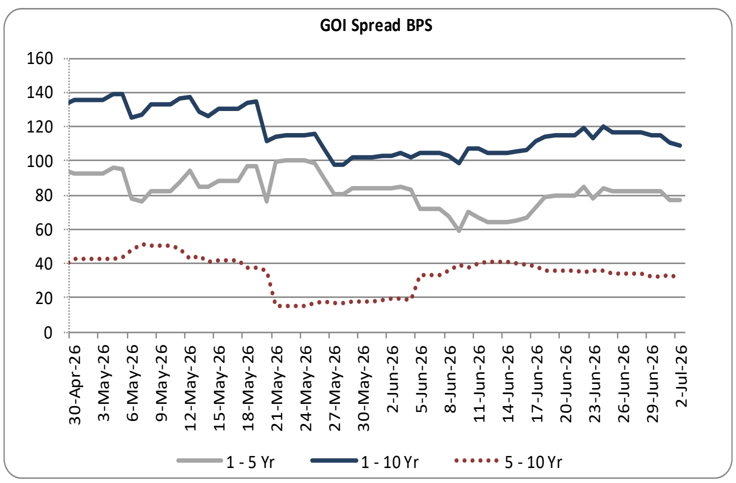
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
2-Jul-26	1578	640	938.57	13707	13566	140.22	15285	14206	1,078.79

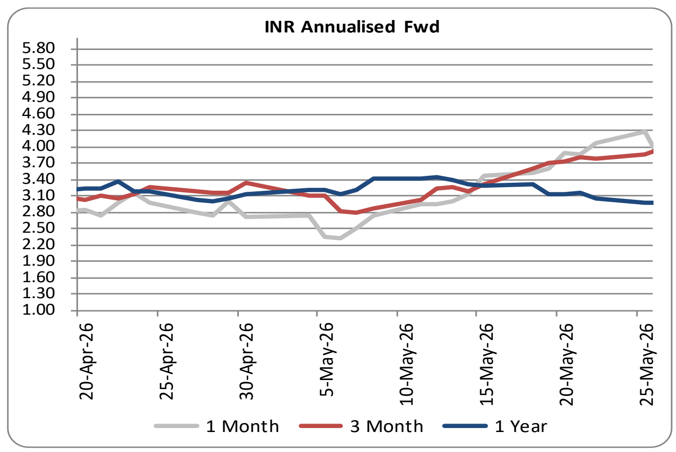
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	May-26	9.68	8.26
CPI (%)	May-26	3.93	3.48
IIP (%)	May-26	5.10	4.90
PMI Manufacturing	Jun-26	54.20	55.00
PMI Service	May-26	59.80	58.80

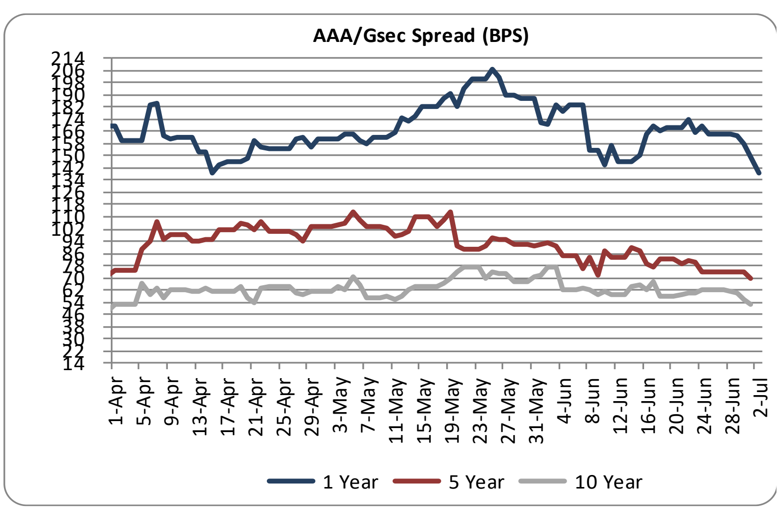
Economic Calender	Country	Date	Poll	Prior
Nonfarm Payrolls (Jun)	U.S.	02-07-2026		172K
Unemployment Rate (Jun)	U.S.	02-07-2026		
Average Hourly Earnings (MoM) (Jun)	U.S.	02-07-2026		0.3
Initial Jobless Claims	U.S.	02-07-2026		215K
S&P Global Services PMI (Jun)	INDIA	03-07-2026		59.8
FX Reserves, USD	INDIA	03-07-2026		672.59B
0	0	00-01-1900		0
0	0	00-01-1900		0

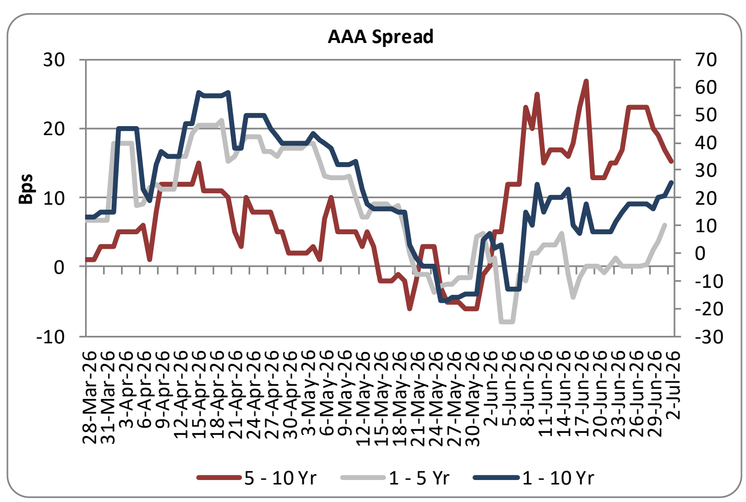

OIS Curve
6.80
6.60
6.40
6.20
6.00
5.80
5.60
5.40
5.20
6.09
6.30
6.41
6.60
5.79
5.79
5.93
5.93
6.05
6.04
6.20
6.22
1 Year
2 Year
3 Year
5 Year
2-Jul-26
1-Jul-26
2-Jun-26

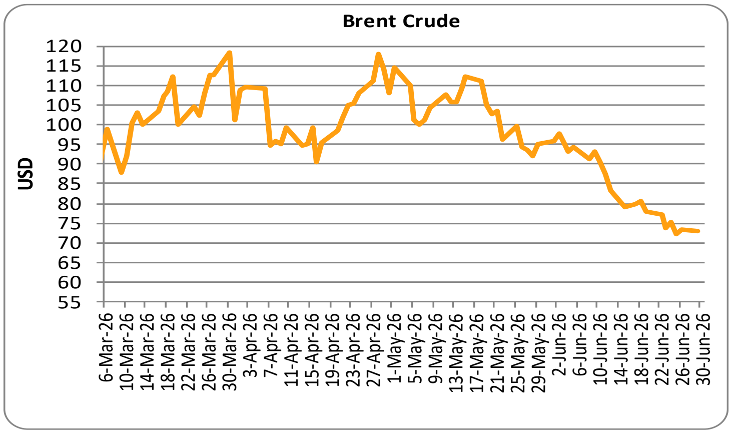

USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
18-Nov-25
26-Nov-25
4-Dec-25
12-Dec-25
20-Dec-25
28-Dec-25
5-Jan-26
13-Jan-26
21-Jan-26
29-Jan-26
6-Feb-26
14-Feb-26
22-Feb-26
2-Mar-26
10-Mar-26
18-Mar-26
26-Mar-26
3-Apr-26
11-Apr-26
19-Apr-26
27-Apr-26
5-May-26
13-May-26
21-May-26
29-May-26
6-Jun-26
14-Jun-26
22-Jun-26
30-Jun-26

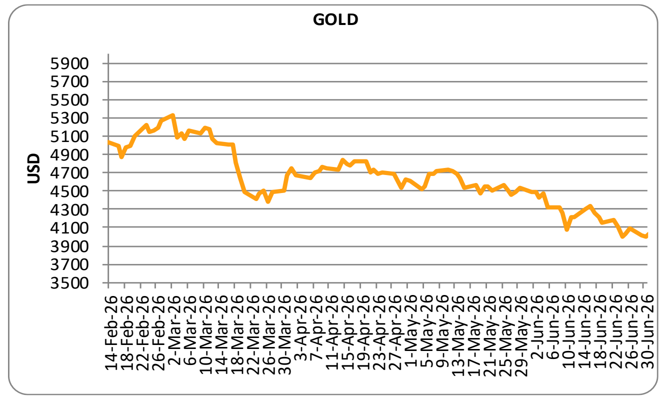

GOI Spread BPS
160
140
120
100
80
60
40
20
0
30-Apr-26
3-May-26
6-May-26
9-May-26
12-May-26
15-May-26
18-May-26
21-May-26
24-May-26
27-May-26
30-May-26
2-Jun-26
5-Jun-26
8-Jun-26
11-Jun-26
14-Jun-26
17-Jun-26
20-Jun-26
23-Jun-26
26-Jun-26
29-Jun-26
2-Jul-26
1 - 5 Yr
1 - 10 Yr
5 - 10 Yr


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
20-Apr-26
25-Apr-26
30-Apr-26
5-May-26
10-May-26
15-May-26
20-May-26
25-May-26
1 Month
3 Month
1 Year


AAA/Gsec Spread (BPS)
1-Apr
5-Apr
9-Apr
13-Apr
17-Apr
21-Apr
25-Apr
29-Apr
3-May
7-May
11-May
15-May
19-May
23-May
27-May
31-May
4-Jun
8-Jun
12-Jun
16-Jun
20-Jun
24-Jun
28-Jun
2-Jul
1 Year
5 Year
10 Year


AAA Spread
30
20
10
0
-10
70
60
50
40
30
20
10
0
-10
-20
-30
Bps
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
18-May-26
21-May-26
24-May-26
27-May-26
30-May-26
2-Jun-26
5-Jun-26
8-Jun-26
11-Jun-26
14-Jun-26
17-Jun-26
20-Jun-26
23-Jun-26
26-Jun-26
29-Jun-26
2-Jul-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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