Bond Street

BONDWATCH

INDIA

Daily

03-07-2026

The benchmark 6.94 2036 bond yield closed at 6.7108% on Friday from 6.7180% on Thursday.

The 10-year bond yield dropped 6 bps in the week, bringing the aggregate fall since the start of last month to around 27 bps driven by rising hopes over Bloomberg index inclusion, continued positive sentiments on stronger FPI inflows led by policy sweeteners and softer oil prices.

Benchmark yield eased from 6.77% last Friday to 6.75% Monday as oil steadied on renewed U.S.–Iran Hormuz talks. Mid-week, yields stayed flat with optimism over Bloomberg index inclusion offsetting higher U.S. yields after May job data, while uncertainty around Iran talks lingered. OIS rates tracked U.S. yields, with the 5Y rising 4.75 bps to 6.2150%. Oil eased 1% as Doha talks continued. Towards week's end, yields fell sharply on stronger hopes of Bloomberg inclusion and softer crude.

Foreign investors bought bonds worth about ₹368 billion in the past six weeks.

U.S. Treasury yields eased after June payrolls rose just 57k vs 110k forecast, cutting July Fed hike odds to 19.8% from 28.9%, with the 10-yr at 4.48% and 2-yr at 4.13%. Euro zone bond yields rose this week, with Germany's 10-yr at 2.92% (+8 bps) and the curve steepening to 40 bps, lifted by higher U.S. and Japan yields. Japan's 10-yr JGB yield hit 2.81%, a 30-year high, rising on fiscal worries and weak auction demand. Japan kept its FX warning alive as the yen rebounded to 161.2/$ from a 40-yr low.

Market Observations.
G-sec

T-bill demand remained subdued from mutual funds, while major activity in 5–6y and 9–11y SDLs, with spreads attractive versus the 10-yr G-Sec.

Life insurers and duration funds showed interest in 16–20 yr. SDLs, though supply was short.

Supply was limited in the more liquid 40-yr G-Sec 2066.

5–7Y SDLs remained most active segment across market participants.

Corp Bond

Corporate bond yields eased by 10–12 bps this week, tracking softer G-Sec yields on optimism around Bloomberg index inclusion, strong FPI inflows, and lower oil prices, with benchmark indicative levels at 7.15% for the 1 year, 7.16% for the 5 year and 7.40% for the 10 year. Trading activity was largely concentrated in the medium-term segment, followed by the short term MMY segment.

CP/CD

Banking system liquidity swung into surplus mid-week, overnight rates eased back below Repo rate, With FCNR inflows expected to add more liquidity this quarter. CD rates fell sharply by 15–20 bps this week, with 3M (Oct maturity) at 6.26%, 6M (Jan maturity) at 6.65%, and 1Y (Jul maturity) at 7%. Trading was concentrated in JFM and 2–3M segments, led by banks and mutual funds.

GOI Yield	3-Jul	2-Jul	25-Jun	3-Jun
1 Year	5.65	5.63	5.60	5.98
5 Year	6.41	6.40	6.43	6.83
10 Year	6.71	6.72	6.77	7.02

AAA Bmk	3-Jul	2-Jul	25-Jun	3-Jun
1 Year	7.15	7.15	7.32	7.90
5 Year	7.16	7.20	7.27	7.87
10 Year	7.40	7.40	7.50	7.92

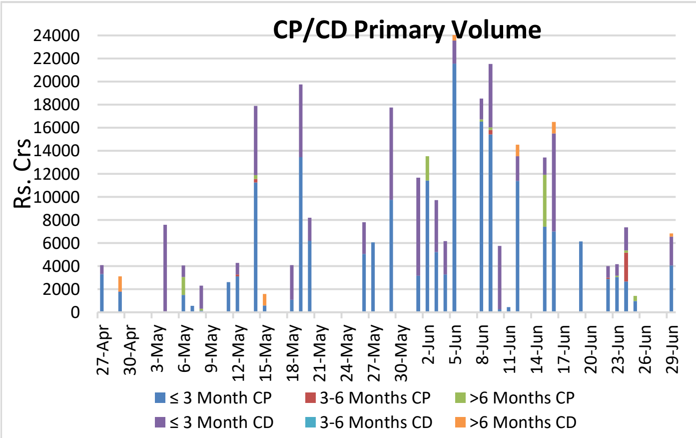
CD	3-Jul	2-Jul	25-Jun	3-Jun
3 Month	6.26	6.21	6.55	7.23
6 Month	6.65	6.60	6.90	7.60
1 Year	7.00	6.95	7.30	7.80

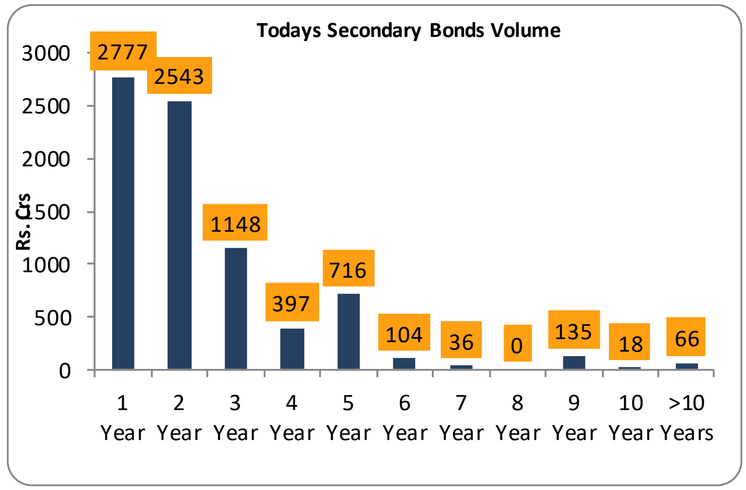
CP	3-Jul	2-Jul	25-Jun	3-Jun
3 Month	6.31	6.26	6.60	7.28
6 Month	6.70	6.65	6.95	7.65
1 Year	7.05	7.00	7.35	7.85

OIS Rate	3-Jul	2-Jul	25-Jun	3-Jun
1 Year	5.78	5.79	5.76	6.11
2 Year	5.91	5.93	5.91	6.34
3 Year	6.01	6.05	6.01	6.44
5 Year	6.18	6.20	6.18	6.63

	3-Jul	2-Jul	25-Jun	3-Jun
Sensex	77,787	77,502	77,100	74,346
Nifty	24,278	24,176	24,056	23,406
USD/INR	95.23	95.39	94.40	95.71
Gold (USD)	4,174	4,123	4,026	4,432
Oil (USD)	71.84	71.80	75.26	97.81

NDF	3-Jul	2-Jul	25-Jun	3-Jun
3 Month	95.97	95.96	95.37	96.92
1 Year	98.00	97.96	97.41	99.53
2 Year	100.54	100.73	99.92	102.65
3 Year	104.04	104.23	103.38	106.46





10 Year Benchmarks	3-Jul	2-Jul	25-Jun	3-Jun
India	6.73	6.72	6.77	7.03
US	4.48	4.48	4.39	4.49
South Korea	4.20	4.18	4.12	4.13
Brazil	14.66	14.66	14.28	14.52
Germany	2.92	2.90	2.86	3.04
China	1.74	1.77	1.73	1.75

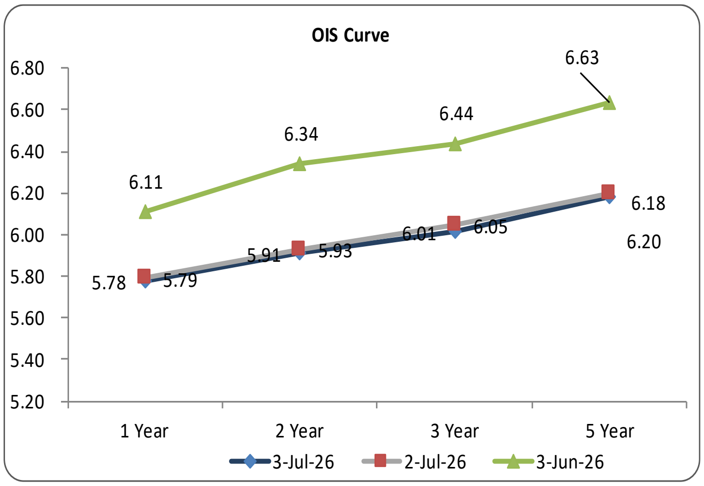
Top Traded Securities	Volume	3-Jul	2-Jul	25-Jun	3-Jun
6.75 2029	0	#N/A	6.32	6.30	6.62
6.79 2034	10	6.72	6.70	6.73	7.05
6.33 2035	0	6.72	6.70	6.75	6.93
6.92 2039	10	6.92	6.91	7.12	7.22
7.09 2054	85	7.35	7.33	7.37	7.65
7.34 2064	0	7.45	7.43	7.49	7.72

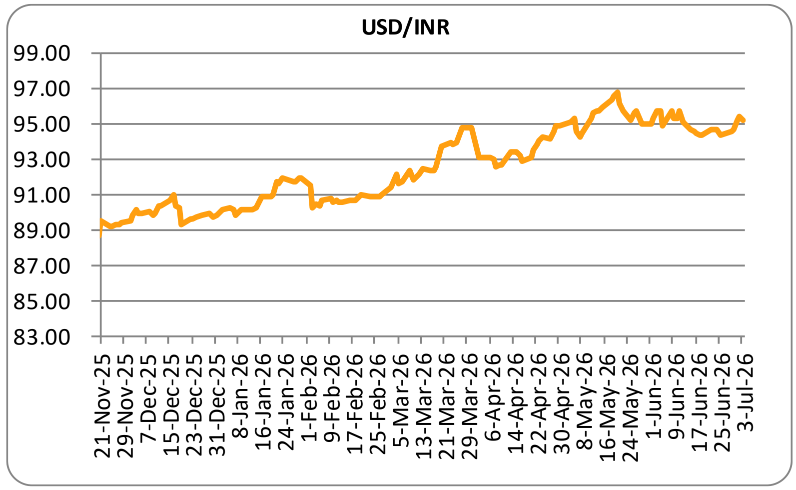
	DEBT			EQUITY			TOTAL (Rs.Crs)		
MF	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
1-Jul-26	19,037	11,301	7,736.15	13,472	11,256	2,215.82	32,509	22,557	9,951.97

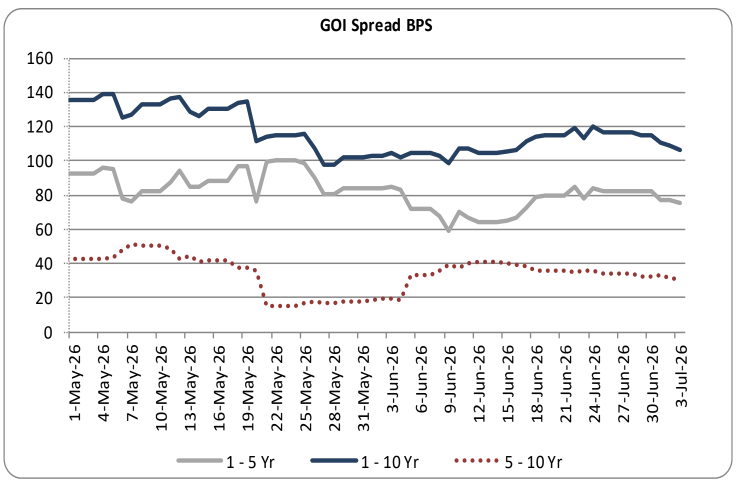
	DEBT			EQUITY			TOTAL (Rs. Crs)		
FII	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
3-Jul-26	3497	2959	538.34	16754	14405	2,348.96	20252	17364	2,887.30

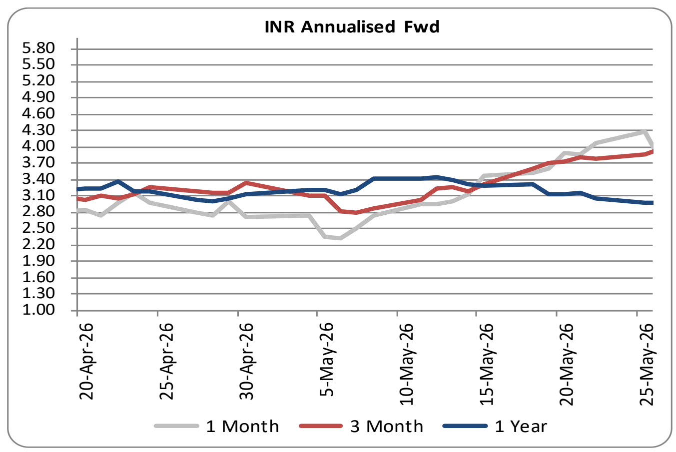
INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-26	7.80	8.00
CAD ($ Bn)	Mar-26	7.10	(15.50)
Trade Deficit ($ Bn)	Mar-26	(83.40)	(93.60)
WPI (%)	May-26	9.68	8.26
CPI (%)	May-26	3.93	3.48
IIP (%)	May-26	5.10	4.90
PMI Manufacturing	Jun-26	54.20	55.00
PMI Service	Jun-26	57.40	59.80

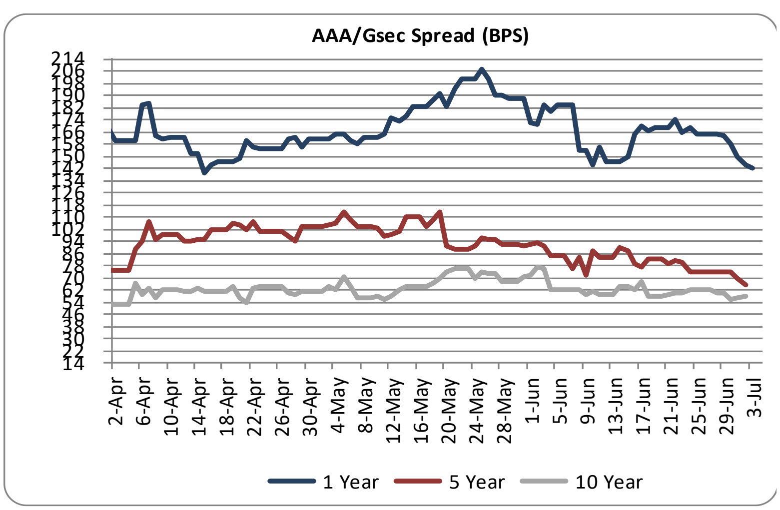
Economic Calender	Country	Date	Poll	Prior
S&P Global Services PMI (Jun)	U.S.	06-07-2026		50.7
ISM Non-Manufacturing PMI (Jun)	U.S.	06-07-2026		
Crude Oil Inventories	U.S.	08-07-2026		(3.775)M
FOMC Meeting Minutes	U.S.	08-07-2026		
Initial Jobless Claims	U.S.	09-07-2026		215K
Existing Home Sales (Jun)	U.S.	09-07-2026		4.17M
FX Reserves, USD	INDIA	10-07-2026		

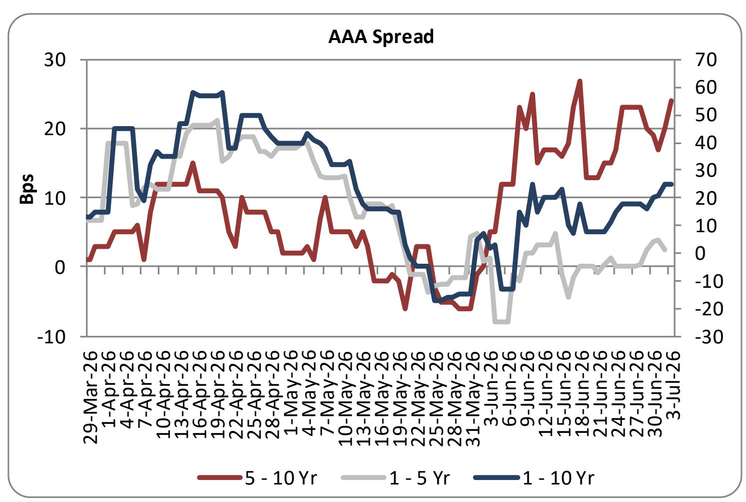

OIS Curve
6.80
6.60
6.40
6.20
6.00
5.80
5.60
5.40
5.20
6.63
6.34
6.44
6.11
6.18
6.20
5.91
5.93
6.01
6.05
5.78
5.79
1 Year
2 Year
3 Year
5 Year
3-Jul-26
2-Jul-26
3-Jun-26


USD/INR
99.00
97.00
95.00
93.00
91.00
89.00
87.00
85.00
83.00
21-Nov-25
29-Nov-25
7-Dec-25
15-Dec-25
23-Dec-25
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


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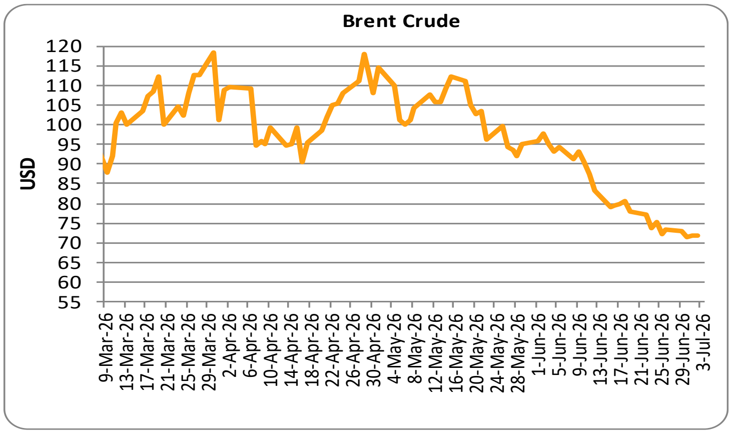
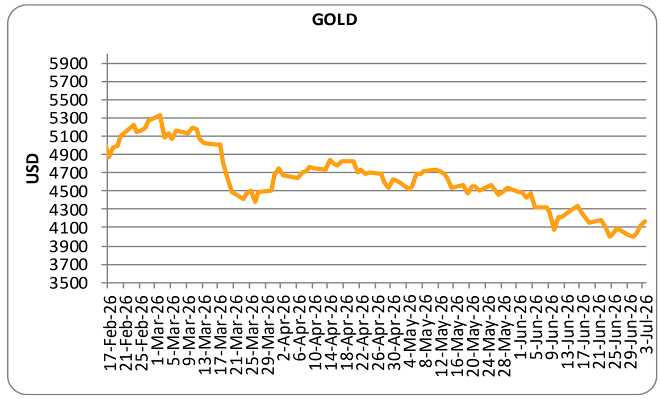
30-Jun-26
3-Jul-26
5 - 10 Yr
1 - 5 Yr
1 - 10 Yr





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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