

The benchmark 6.94 2036 bond yield closed at 7.0524 % vs 7.0727% in the previous session.

India's benchmark 10-year yield fell 2bps on Wednesday, snapping a four-session rise. Global debt markets steadied as oil prices retreated, with focus now on the FOMC decision later Wednesday, which could set the tone for India's MPC decision. OIS rates eased ahead of FOMC with the 5Y OIS down 4.5 bps to 6.62%.

Bonds have been under pressure as RBI withdraws banking system liquidity, with open-market bond sales set to begin Thursday, ahead of bond auction on Friday, adding to the upcoming supply.

One-year T-bill yields hit a 1-year high.

Oil prices eased on Wednesday, with Brent down 0.54% to \$108.16 and WTI down 1.13% to \$104.63, after reports that Saudi Arabia is offering extra crude cargoes via Oman calmed fears over Middle East supply disruptions, even as European diesel prices held near record highs.

Globally, CME Fed Watch shows a 92.7% chance the Fed hikes at least 25bps on Wednesday. Japan's benchmark yields have surged to 31-year highs on fiscal deficit worries and expectations the BOJ will hike rates to 1.25% (from 1%) at its Sept 17-18 meeting, with more hikes toward a ~1.75%+ terminal rate seen ahead. Bund yields eased from 17-year highs (Germany's 10-year down to 3.53% from Tuesday's 3.5723% peak) as falling energy prices offset hawkish ECB bets ahead of the Fed's expected 25bp hike to 3.75-4.00%.

Market Observations

G-sec

As the news of RBI OMO Sale auction to manage liquidity conditions hit the markets, Gsec reacted where it opened at 7.0960, versus the previous close of 7.0233 on Friday. RBI would be conducting the OMO auction for Rs 1L cr in 3 tranches between 17 Sept and 28 Sept.

SDL cut-off came In-Line with market expectations, where states were able to successfully borrow 34,645crs worth of bonds against the notified amount of 35,900crs.

5-year maturity Gsec (6.10 2031 / 7.02 2031) witnessed buying demand by Foreign Banks at 6.81 levels, where Primary Dealers acted as sellers.

Corp Bond

AAA rated PSU bond yields rose across the curve by 7-10bps tracking rise in G-sec yields with benchmark indicative levels at 7.52% for the 1-year, 7.83% for the 5-year and 7.85% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

CD rates rose across the curve by close to 10bps with the 3M (Dec maturity) at 6.15%, 6M (Mar maturity) at 6.75% and 1Y (Sept maturity) at 7.30% Trading was concentrated in JFM and 2-3M segments.

GOI Yield	16-Sep	15-Sep	9-Sep	17-Aug
1 Year	6.03	5.90	5.90	5.70
5 Year	6.77	6.79	6.51	6.44
10 Year	7.05	7.07	6.96	6.81

AAA Bmk	16-Sep	15-Sep	9-Sep	17-Aug
1 Year	7.51	7.52	7.32	7.36
5 Year	7.85	7.83	7.71	7.43
10 Year	7.87	7.85	7.73	7.54

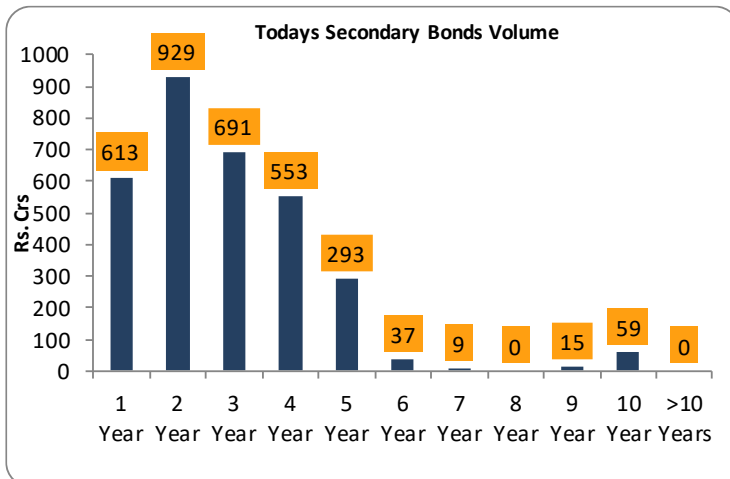
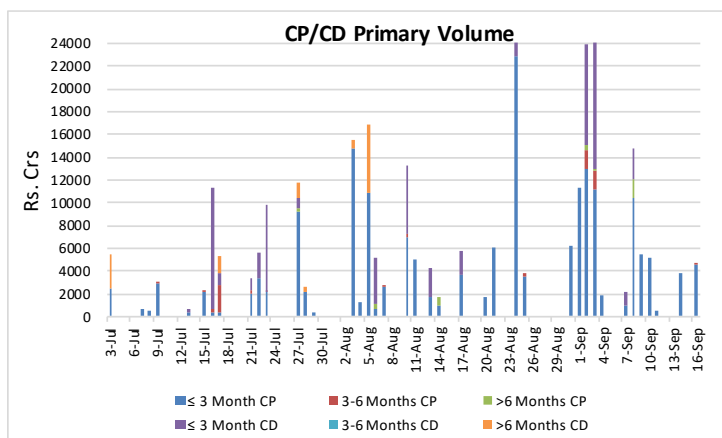
CD	16-Sep	15-Sep	9-Sep	17-Aug
3 Month	6.15	6.15	5.95	6.35
6 Month	6.75	6.75	6.50	6.73
1 Year	7.30	7.30	7.15	7.12

CP	16-Sep	15-Sep	9-Sep	17-Aug
3 Month	6.20	6.20	6.00	6.40
6 Month	6.80	6.80	6.55	6.78
1 Year	7.35	7.35	7.20	7.17

OIS Rate	16-Sep	15-Sep	9-Sep	17-Aug
1 Year	6.07	6.10	5.99	5.79
2 Year	6.30	6.33	6.19	6.00
3 Year	6.44	6.47	6.30	6.14
5 Year	6.62	6.66	6.48	6.34

	16-Sep	15-Sep	9-Sep	17-Aug
Sensex	74,336	74,004	74,764	77,728
Nifty	23,218	23,119	23,432	24,288
USD/INR	95.96	95.96	95.11	95.60
Gold (USD)	4,262	4,293	4,400	4,415
Oil (USD)	105.83	108.75	101.21	90.87

NDF	16-Sep	15-Sep	9-Sep	17-Aug
3 Month	96.8957	96.84	95.77	96.5023
1 Year	99.3157	99.32	98.1	98.7723
2 Year	101.97	102.12	100.83	101.627
3 Year	105.335	105.06	103.77	104.735



10 Year Benchmarks	16-Sep	15-Sep	9-Sep	17-Aug
India	7.05	7.07	6.96	6.81
US	5.00	5.00	4.84	4.72
South Korea	4.55	4.59	4.39	4.30
Brazil	14.37	14.47	14.30	14.85
Germany	3.51	3.53	3.44	3.22
China	1.68	1.69	1.74	1.68

Top Traded Securities	Volume	16-Sep	15-Sep	9-Sep	17-Aug
6.75 2029	5	6.6273	6.3877	6.4349	6.413
6.79 2034	0	7.0524	7.066	6.8869	6.7635
6.33 2035	5	7.0099	7.0319	6.8867	6.7234
6.92 2039	0	7.1614	7.0775	7.0775	6.9241
7.09 2054	0	7.6606	7.6856	7.5924	7.3704
7.34 2064	465	7.7107	7.7444	7.6883	7.5359

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
9-Sep-26	-	-	-

EQUITY		
Gross Purchase	Gross Sales	Net Investment
-	-	-

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
-	-	-

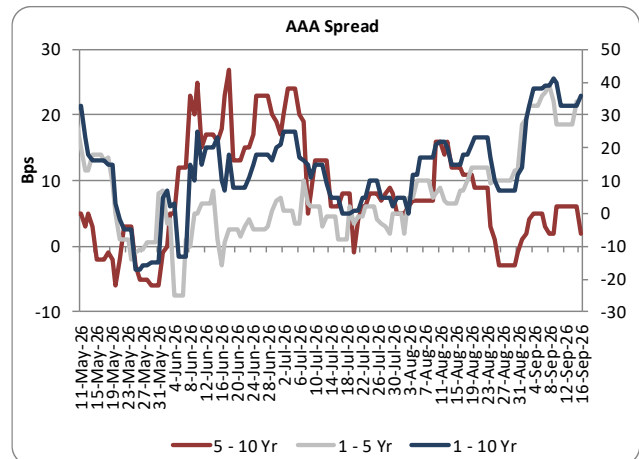
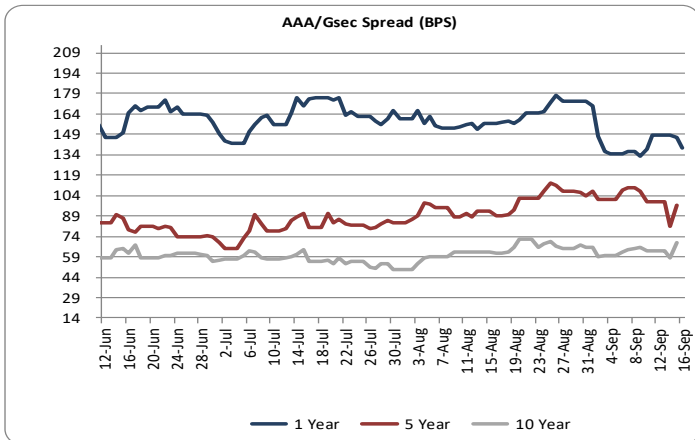
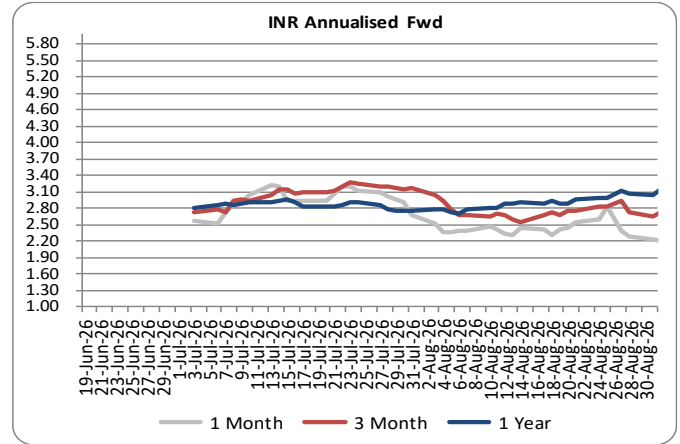
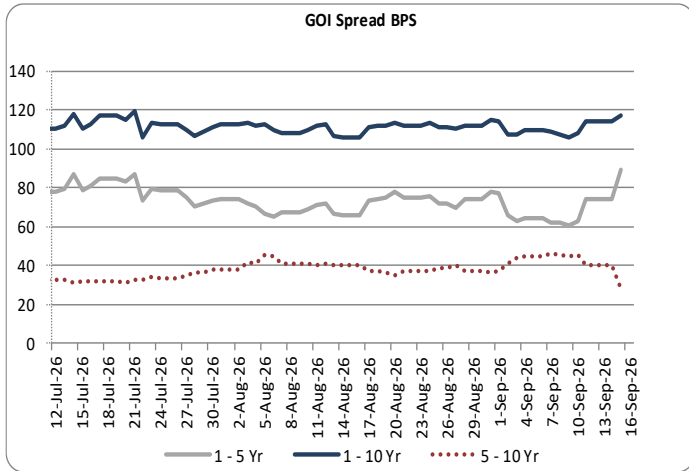
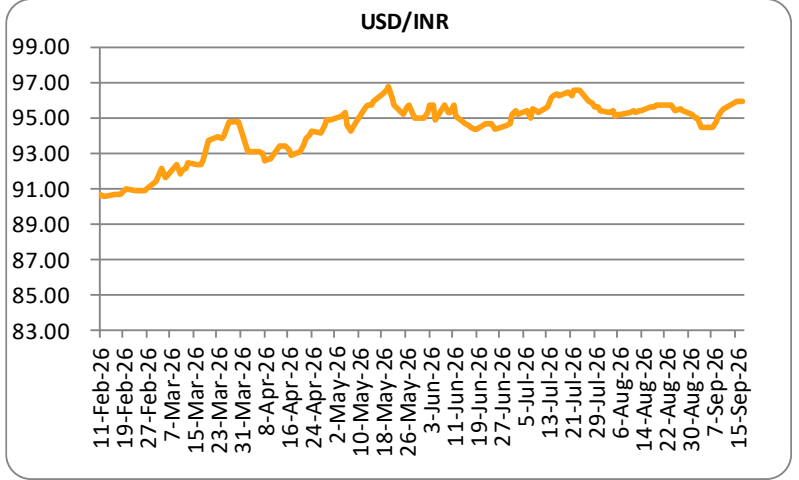
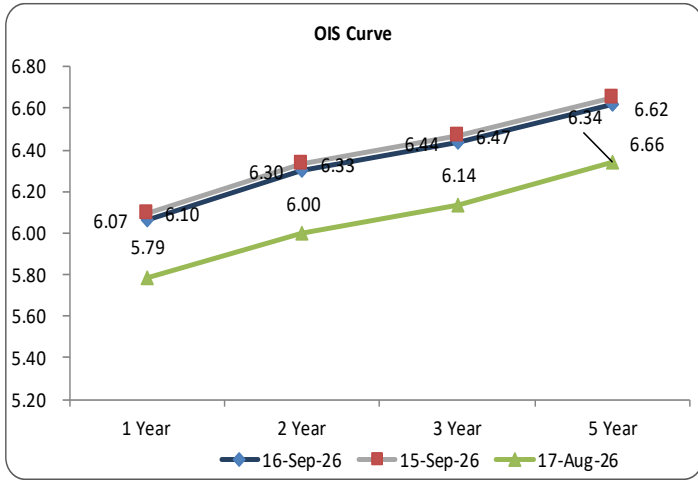
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
17-Sep-26	0	0	-

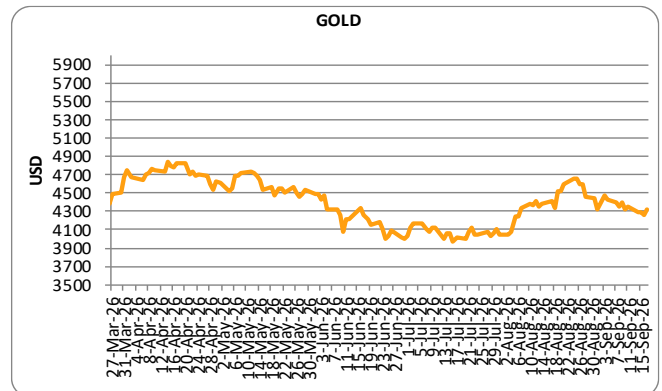
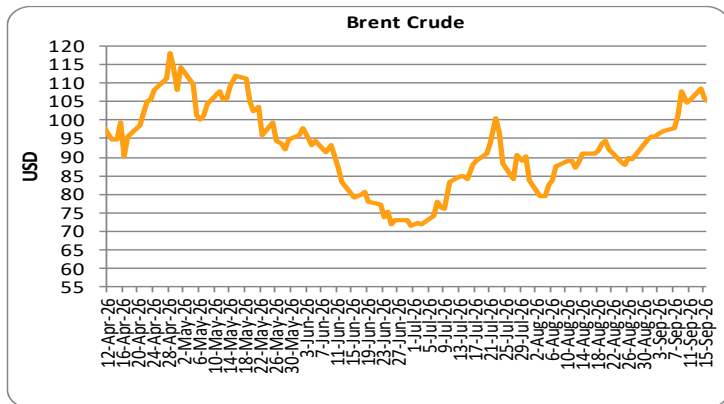
EQUITY		
Gross Purchase	Gross Sales	Net Investment
0	0	-

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	-

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-26	7.80	7.80
CAD (\$ Bn)	Jun-26	(4.20)	6.50
Trade Deficit (\$ Bn)	Jun-26	(86.10)	(83.40)
WPI (%)	Aug-26	9.92	9.78
CPI (%)	Aug-26	4.82	4.45
IIP (%)	Jul-26	6.70	8.80
PMI Manufacturing	Aug-26	52.80	53.50
PMI Service	Aug-26	54.10	53.30

Economic Calender	Country	Date	Poll	Prior
Core Retail Sales (MoM) (Aug)	US	16 Sep 26		-0.3%
Retail Sales (MoM) (Aug)	US	16 Sep 26		-0.6%
Fed Interest Rate Decision	US	16 Sep 26		3.75%
FOMC Economic Projections	US	16 Sep 26		0
FOMC Statement	US	16 Sep 26		
FOMC Press Conference	US	17 Sep 26		
CPI (YoY) (Aug)	EU	17 Sep 26		
BoE Interest Rate Decision (Sep)	UK	17 Sep 26		





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

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