

The benchmark 6.94 2036 bond yield closed at 6.9754% vs 6.9581% in the previous session.

The Indian benchmark bond yield extended its rise on Wednesday, as Global bond markets remained under pressure, escalating tensions in the Middle East pushed crude oil prices higher, further fueling inflation worries. OIS rates moved in mixed directions with the 1Y OIS fell 1.5 bps to 6% pricing in 75 bps of rate hikes over the next 12 months, while the 5Y OIS rose 2.5bps to 6.53%.

Globally, bonds continue to slide, with borrowing costs hitting multi-decade highs as Middle East tensions drive energy prices higher and deepen inflation and debt concerns. UK gilt yields hit fresh 18-year highs, with the 10-year touching 5.268% as the Iran-driven global bond sell-off deepens ahead of Chancellor Healey's first budget. German 10-year Bund yields climbed to their highest since April 2011 at 3.3851%, up 4.7 bps, as the euro zone bond sell-off extended to a sixth session amid Middle East-driven oil gains and inflation fears. Japan 10-year rates top 3% for first time since 1996. The 10-year U.S. Treasury yield hit a three-year high, edging toward the 5% mark that could rattle already-jittery equity markets.

Market Observations

G-sec

Selling was seen in the 10-year SDL around the 7.65% level, with insurance companies and nationalized banks emerging as the major buyers.

In the illiquid 30- and 40-year G Sec segment, selling was witnessed around the 7.60% and 7.68% levels respectively. Pension funds and foreign banks were the major buyers, while mutual funds were the major sellers.

The market opened on a weaker note, with the 10-year benchmark touching the 7.00% mark as crude oil prices inched higher amid escalating geopolitical tensions.

Corp Bond

AAA rated PSU bond yields witnessed easing in the shorter end segment while rose slightly at the longer end, with benchmark indicative levels at 7.47% for the 1-year, 7.74% for the 5-year and 7.76% for the 10 year. Trading activity was concentrated in the Medium-term segment, followed by the short MMY segment.

CP/CD

India's banking system liquidity surplus climbed to ₹7.77 trillion (\$81.82 billion) on September 1, its highest level in over four years (since early April 2022) The surge being driven largely by banks swapping dollars raised through FCNR(B) deposits with the RBI. CD rates dipped across the curve with the 3M (Dec maturity) at 6.05%, 6M (Mar maturity) at 6.55% and 1Y (Sept maturity) at 7.05%. Trading was concentrated in JFM and 2–3M segments.

GOI Yield	2-Sep	1-Sep	25-Aug	3-Aug
1 Year	5.91	5.82	5.74	5.70
5 Year	6.56	6.59	6.46	6.42
10 Year	6.98	6.96	6.85	6.83

AAA Bmk	2-Sep	1-Sep	25-Aug	3-Aug
1 Year	7.47	7.60	7.55	7.45
5 Year	7.74	7.73	7.64	7.39
10 Year	7.76	7.74	7.65	7.45

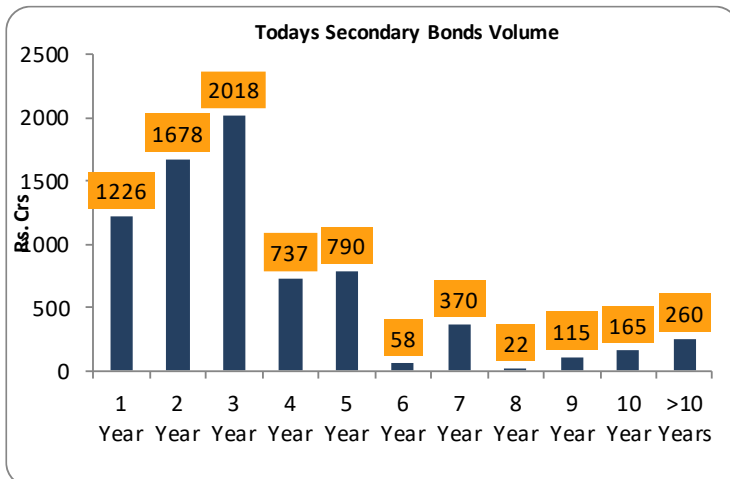
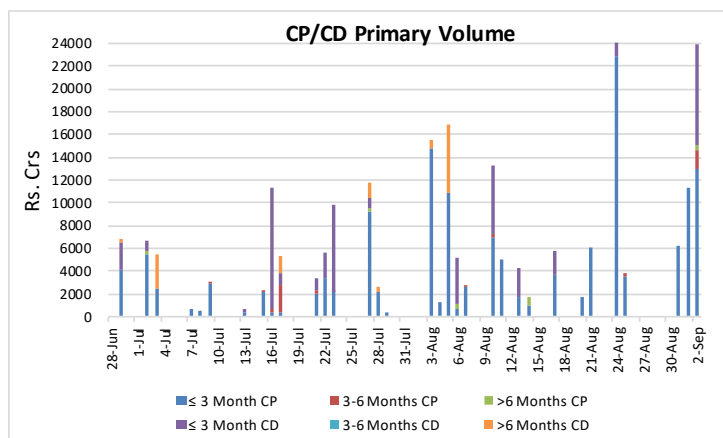
CD	2-Sep	1-Sep	25-Aug	3-Aug
3 Month	6.05	6.25	6.40	6.70
6 Month	6.55	6.70	6.80	6.83
1 Year	7.05	7.20	7.25	7.10

CP	2-Sep	1-Sep	25-Aug	3-Aug
3 Month	6.10	6.30	6.45	6.75
6 Month	6.60	6.75	6.85	6.88
1 Year	7.10	7.25	7.30	7.15

OIS Rate	2-Sep	1-Sep	25-Aug	3-Aug
1 Year	6.00	6.02	5.86	5.88
2 Year	6.22	6.21	6.04	6.07
3 Year	6.35	6.33	6.15	6.18
5 Year	6.53	6.51	6.35	6.37

	2-Sep	1-Sep	25-Aug	3-Aug
Sensex	76,570	76,944	77,656	78,639
Nifty	23,914	24,056	24,335	24,774
USD/INR	94.97	94.95	95.41	95.34
Gold (USD)	4,309	4,329	4,657	4,053
Oil (USD)	94.86	94.65	88.58	83.77

NDF	2-Sep	1-Sep	25-Aug	3-Aug
3 Month	95.6164	95.64	96.0305	96.0725
1 Year	97.9039	97.89	98.2434	98.345
2 Year	100.755	100.65	101.085	101.21
3 Year	103.74	103.55	104.135	104.38



10 Year Benchmarks	2-Sep	1-Sep	25-Aug	3-Aug
India	6.98	6.96	6.85	6.84
US	4.81	4.80	4.64	4.68
South Korea	4.40	4.37	4.34	4.25
Brazil	14.63	14.63	14.58	14.57
Germany	3.39	3.34	3.20	3.15
China	1.69	1.69	1.69	1.71

Top Traded Securities	Volume	2-Sep	1-Sep	25-Aug	3-Aug
6.75 2029	10	6.4518	6.4355	6.4973	6.3156
6.79 2034	5	6.8996	6.9024	6.7981	6.8198
6.33 2035	50	6.9213	6.8856	6.7954	6.7797
6.92 2039	5	7.1189	7.0476	6.9709	7.0083
7.09 2054	50	7.5924	7.5748	7.4934	7.5513
7.34 2064	105	7.6994	7.6525	7.5744	7.5879

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-Aug-26	20,139	19,808	331.06

EQUITY		
Gross Purchase	Gross Sales	Net Investment
16,540	12,042	4,497.10

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
36,679	31,851	4,828.16

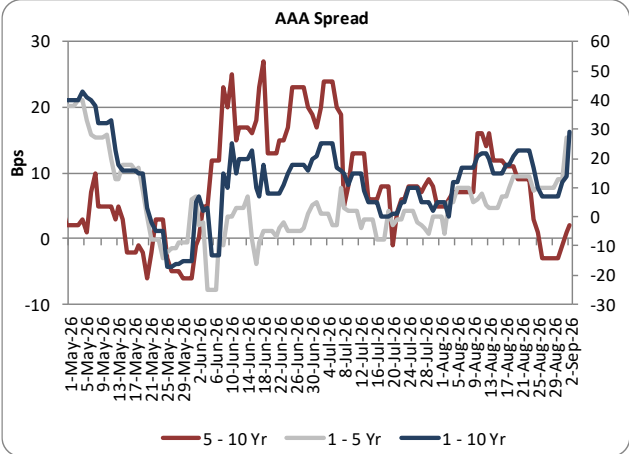
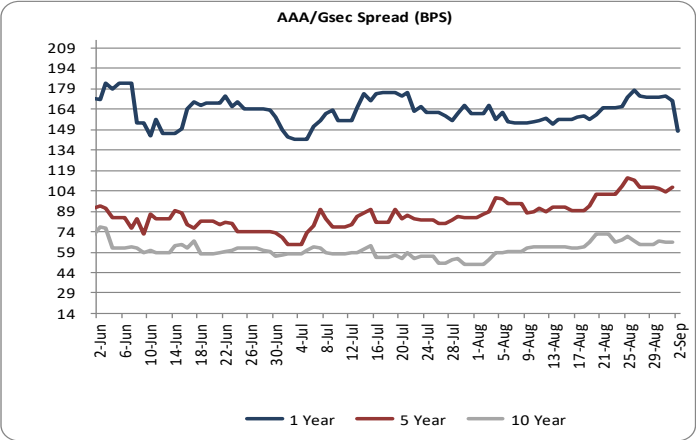
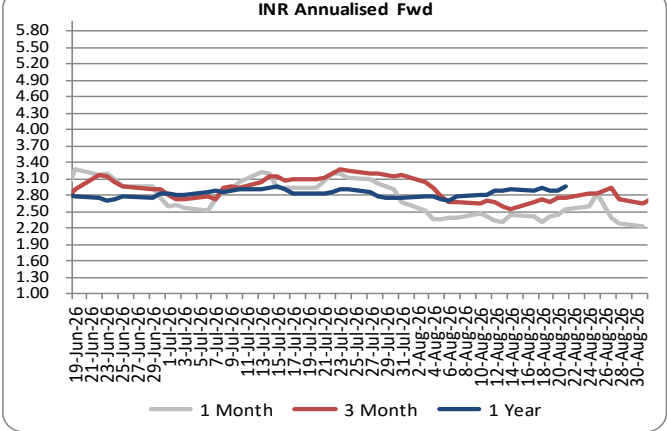
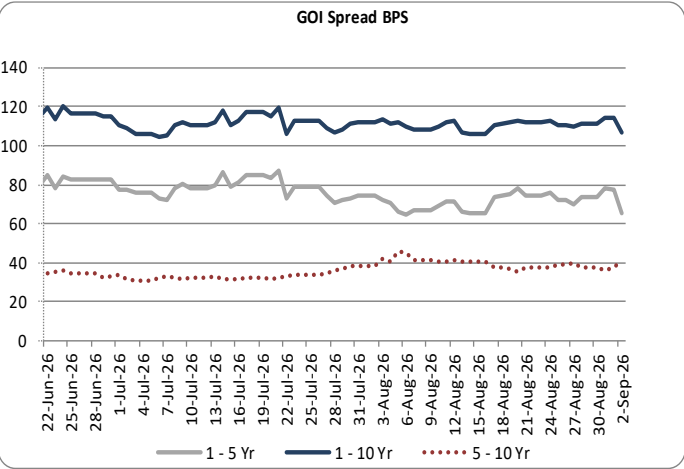
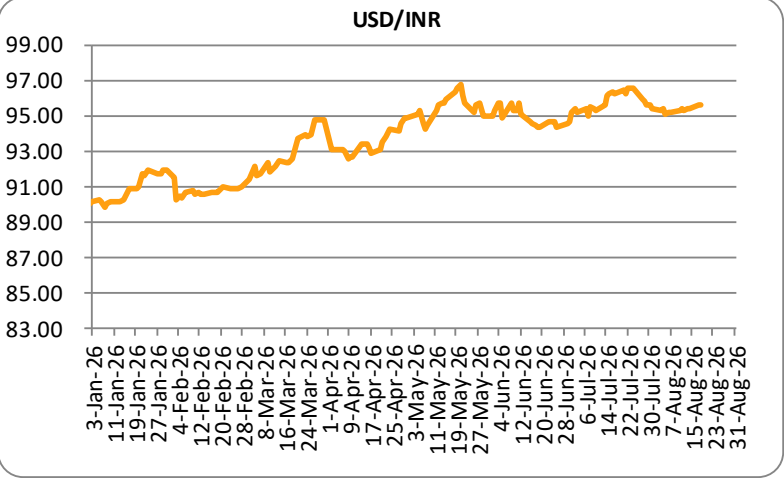
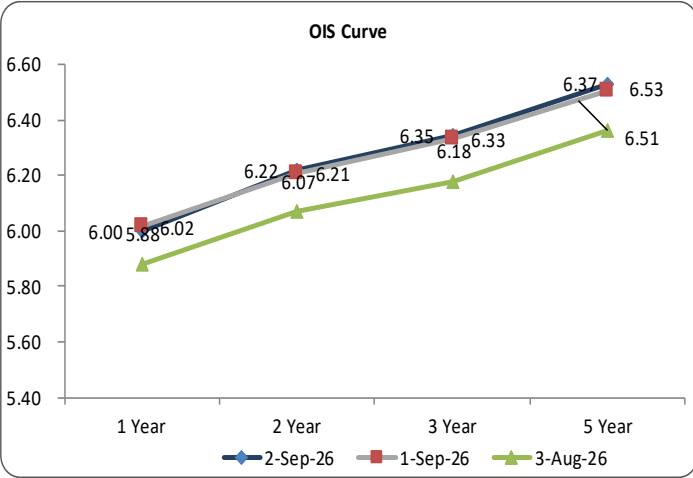
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
2-Sep-26	1287.5	1375.55	(88.05)

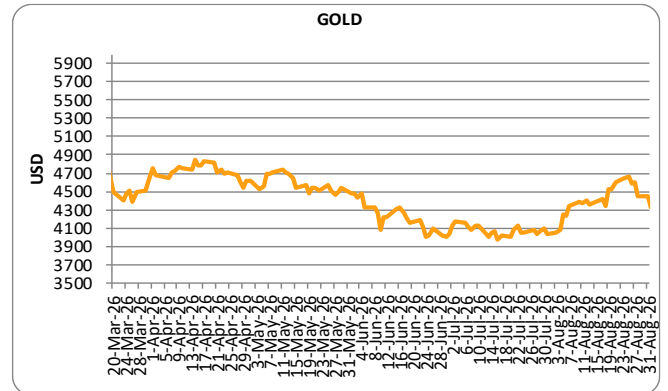
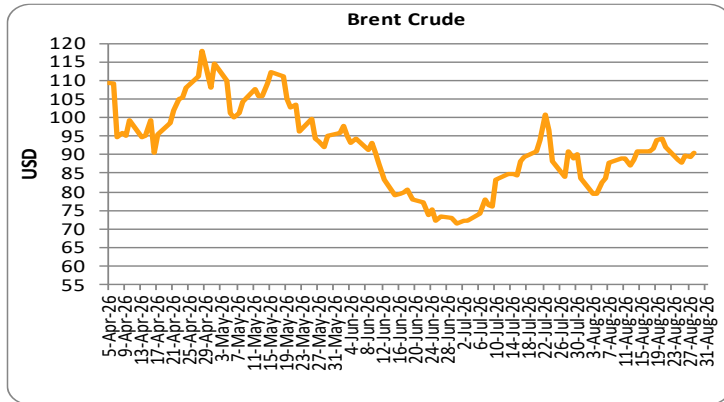
EQUITY		
Gross Purchase	Gross Sales	Net Investment
18889.38	17125.18	1,764.20

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
20176.88	18500.73	1,676.15

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 (%)	Jul-26	9.78	9.87
CPI (%)	Jul-26	4.45	4.38
IIP (%)	Jul-26	6.70	8.80
PMI Manufacturing	Aug-26	52.80	53.50
PMI Service	Jul-26	53.30	57.40

Economic Calender	Country	Date	Poll	Prior
ADP Nonfarm Employment Change (Aug)	US	2026-09-02	47K	44K
Crude Oil Inventories	US	2026-09-02	0	0.095M
S&P Global Services PMI (Aug)	IN	2026-09-03	54.5	54.5
Initial Jobless Claims	US	2026-09-03	205K	203K
S&P Global Services PMI (Aug)	US	2026-09-03	0	56.8
ISM Non-Manufacturing PMI (Aug)	US	2026-09-03	54.1	54.1





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

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