SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
01ST JULY 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.227	+0.59
BRENT OIL	72.11	-1.15
GOLD	4046.40	+0.20
INDIA10YR	6.7563	+0.01
US10YR	4.4870	+1.38
NIFTY50	24000.50	+0.59
SENSEX	76873.55	+0.58

G-SEC/BONDS YIELDS

SECURITY	LTY(%) TODAY	LTY (%) PREV
364DTB	5.6500	5.5500
G-SEC2031	6.4216	6.4241
G-SEC2035	6.7782	6.7722
G-SEC2040	6.9655	6.9786
G-SEC2055	7.3141	7.3065
SDL2029	-	-
SDL2036	7.4499	7.5292

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	6.5295	100.0495
BAJAJ FINANCE LIMITED 7.92 NCD 24JU31 FVRS1LAC	7.8955	100.000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25C 7.44 BD 24FB28 FVRS1LAC	7.1700	100.3480
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	6.7460	57.0370
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	7.2466	100.6213
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED SR SD80 8.88 NCD 25JU33 FVRS1LAC	8.8907	100.0000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	7.0039	100.4327
HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED SR A 7.23 BD 18JL29 FVRS1LAC	7.1879	100.000

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.7550	5.7875	5.9100	5.9285	6.2100	6.2150

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 6.7563%, 0.62 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

India's HSBC Manufacturing PMI eased to 54.2 in June 2026 from 55.0 in May, revised lower from the preliminary reading of 54.5, signaling the second-weakest improvement in factory activity since mid-2022. Growth in output and new orders slowed to among the weakest rates in four years, while export orders rose at the softest pace since March 2023 amid subdued demand from some European markets.

Indian government bonds remained stable as hopes of inclusion in the Bloomberg index balanced out geopolitical concerns and a declining rupee. Traders are on the lookout for new catalysts, with the benchmark 2036 bond yield maintaining a position close to Tuesday's close. The global investment climate stays cautious as U.S. Federal Reserve announcements loom alongside U.S.-Iran negotiations, while domestic markets focus on critical yield levels.

Indian government bonds saw gains as anticipation of Bloomberg index inclusion and improved liquidity bolstered prices. Despite higher U.S. yields and rising oil due to geopolitical tensions, traders are optimistic. Foreign investors have significantly boosted purchases of Fully Accessible Route bonds, driven by expectations of their inclusion in global indices. Market sentiment hinges on monsoon progress and global stability for further rallies.

GLOBAL BROADCAST

US-based employers announced 45,849 job cuts in June 2026, the lowest since December 2025, down 53% from May and 4% lower than in the same month last year.

Private businesses in the US added 98K jobs in June 2026, below 122K in May and forecasts of 113K.

The Consumer Price Index in the Euro Area decreased 0.1% month-over-month in June 2026, the first decline in five months, following a 0.1% gain in May, led by a 1.7% fall in energy prices, preliminary estimates showed.

The Reserve Bank of Australia's Index of Commodity Prices rose 16.9% year-on-year in June 2026, following an upwardly revised 18.4% jump in the previous month. The increase was driven largely by strong price growth in gold, cooking oil, and rural commodities, which more than offset declines in liquefied gas (LNG) and alumina prices

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 203.34 bps, 32 bps lower than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 15.96 bp.
5 Years vs 2 Years bond spread is 50.92 bp.
10 Years vs 2Years bond spread is 82.13 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended higher compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.70% and 6.80%.