SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
19TH AUGUST 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.680	+0.06
BRENT OIL	91.35	+0.56
GOLD	4423	+0.05
INDIA10YR	6.8170	-0.15
US10YR	4.684	-0.47
NIFTY50	24078.30	-0.32
SENSEX	76909.68	-0.42

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	5.7000	5.7100
G-SEC2031	6.4482	6.4612
G-SEC2035	6.7928	6.8044
G-SEC2041	6.9963	6.9991
G-SEC2055	7.4103	7.4033
SDL2029	-	6.6508
SDL2036	7.5587	7.5558

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR II 6.74 BD 10JN29 FVRS1LAC	7.4054	98.5039
THE TATA POWER COMPANY LIMITED SR I 7.05 NCD 19DC28 FVRS1LAC	7.6300	98.7251
NTPC LIMITED SR 69 7.32 BD 17JL29 FVRS10LAC LOAUPTO10OT19	7.0500	100.6495
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 7.42 BD 12MR29 FVRS1LAC	7.4100	99.9385
REC LIMITED SR 231A 7.64 BD 30AP27 FVRS1LAC	7.1780	100.1926
MAHANAGAR TELEPHONE NIGAM LIMITED SR VIII TR C 7.80 BD 07NV33 FVRS1LAC	8.1044	99.0744
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR II 7.47 BD 05SP29 FVRS1LAC	7.4300	100.0759
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	7.4600	99.9086

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.8150	5.8075	6.0500	6.0475	6.4100	6.3975

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 6.8170%, 0.99 bps lower than the previous day's trading session.

DOMESTIC BROADCAST

In July, foreign investment in local bonds throughout Asia waned, despite a broader global appetite for emerging market debt. Elevated energy prices and economic downturns rendered the region less appealing. While India and South Korea recorded positive inflows, Malaysia and Thailand faced a retreat. Notably, Indonesia's bond inflows plummeted after the unexpected resignation of its central bank governor.

Indian government bonds experienced restrained trading on Wednesday, influenced by softer U.S. Treasury yields which offered some stability. Nevertheless, rising oil prices dampened domestic morale, impacting the rupee's performance. Market participants are keenly awaiting the Reserve Bank of India's policy minutes for insights. Domestic investors and state-owned lenders have been pivotal in restraining yield increases.

IDFC First Bank raised $500 million through its first international bond issuance, marking its entry into global debt markets. The three-year bonds carry a 5.625% coupon and mature in 2029. Backed by an investment-grade S&P rating, the issue attracted major global investors, diversifying the bank's funding sources and supporting long-term expansion.

GLOBAL BROADCAST

On a monthly basis, consumer prices in the UK increased 0.3% in July 2026, matching market forecasts and following a 0.1% rise in the previous month. Inflation Rate MoM in the United Kingdom averaged 0.24 percent from 1988 until 2026, reaching an all time high of 3.50 percent in April of 1991 and a record low of -1.00 percent in January of 2000.

The yield on Japan 1 Year Bond Yield eased to 1.41% on August 19, 2026, marking a 0.01 percentage points decrease from the previous session. Over the past month, the yield has edged up by 0.23 points and is 0.75 points higher than a year ago, according to over-the-counter interbank yield quotes for this government bond maturity.

Consumer prices in the Euro Area increased 0.2% from the previous month in July 2026, as expected, after a 0.1% decrease in June. Inflation Rate MoM in the Euro Area averaged 0.19 percent from 1990 until 2026, reaching an all time high of 2.40 percent in March of 2022 and a record low of -1.50 percent in January of 2015.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 197.770 bps, 12 bps higher than the closing of the previous day.

Normal Convexity in Long-Term vs Short-Term Maturities.
2 Years vs 1 Year bond spread is 24.93 bp.
5 Years vs 2 Years bond spread is 36.53 bp.
10 Years vs 2Years bond spread is 71.48 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.77% and 6.85%.

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