SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
04TH AUGUST 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.653	+0.02
BRENT OIL	85.63	+2.22
GOLD	4109.42	+0.70
INDIA10YR	6.8152	-0.28
US10YR	4.684	+0.10
NIFTY50	24614.90	-0.64
SENSEX	78428.95	-0.27

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	5.7000	5.7000
G-SEC2031	6.4069	6.4236
G-SEC2035	6.8107	6.8211
G-SEC2041	7.0020	7.0151
G-SEC2055	7.4672	-
SDL2029	6.9249	-
SDL2036	-	7.4426

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	7.4046	100.0684
MUTHOOT FINANCE LIMITED 8.65 NCD 12JU31 FVRS1LAC	8.6330	100.2425
MUTHOOT FINANCE LIMITED RR NCD 04SP29 FVRS1LAC	8.4388	100.0300
POWER FINANCE CORPORATION LIMITED SR 251A 6.27 BD 15JL27 FVRS1LAC	7.2450	99.1352
POWER FINANCE CORPORATION LIMITED SR 245A 7.24 BD 15JN35 FVRS1LAC	7.4781	98.4482
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27A 7.16 BD 14DC29 FVRS1LAC	7.4279	99.1900
TAPIR CONSTRUCTIONS LIMITED SR I TR I 12.50 NCD 12MR30 FVRS1LAC	12.9951	100.5988
MAHANAGAR TELEPHONE NIGAM LIMITED SR VIIA 8 LOA 15NV32 FVRS10LAC	8.0386	100.6053

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
5.8900	5.8675	6.0700	6.0575	6.3650	6.3550

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 6.8152%, 1.91 bps lower than the previous day's trading session.

DOMESTIC BROADCAST

Foreign investors are reducing positions in Indian debt after a key index inclusion was delayed. Inflows into Indian debt have significantly slowed down over the past two weeks. US treasury yields have become more attractive, influencing investor decisions and market sentiment. Traders are awaiting the upcoming monetary policy announcement for further policy direction. Cooling oil prices and other inflows are helping to offset negative market sentiment.

India's HSBC Manufacturing PMI eased to 53.5 in July 2026 from 54.2 in June, revised down from the preliminary estimate of 53.9, and marking the weakest growth since August 2021. Output and new orders continued to expand, although total sales grew at one of the slowest rates in over four years amid challenging market conditions and softer client demand.

GLOBAL BROADCAST

U.S. Treasury yields saw a decline on Monday as oil prices plummeted. President Donald Trump's recent announcement about renewed discussions with Iran helped ease inflation concerns, pushing U.S. crude prices down to below eighty dollars per barrel. Consequently, the benchmark ten-year Treasury yield fell from an eighteen-month peak, and the two-year yield also saw a substantial drop.

The US Logistics Managers' Index eased to 68.9 in July 2026, down from 71.1 in June, which marked the fastest pace of expansion since March 2022. Although growth moderated, July's reading remains higher than any monthly reading recorded between 2023 and 2025, indicating continued strength in the logistics sector.

Japan's 10-year government bond yield edged down to around 2.8% on Tuesday as lower oil prices helped ease inflation concerns, reducing the urgency for more aggressive monetary tightening. The move followed President Donald Trump's proposal for a new round of peace talks with Iran as efforts continued to secure the swift reopening of the Strait of Hormuz.

France's state budget deficit widened to EUR 106.8 billion in January–June 2026 from EUR 100.4 billion in the same period last year, as higher spending outpaced revenue growth. General budget revenues increased 3.7% year-on-year to EUR 184.6 billion, while expenditures rose 5.4% to EUR 240.5 billion.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 213.12 bps, 2 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 lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 6.75% and 6.85%.

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