

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.769	-0.20
BRENT OIL	105.85	-2.67
GOLD	4412.97	+0.16
INDIA10YR	7.0463	-0.08
US10YR	4.952	-0.88
NIFTY50	23270.60	+0.23
SENSEX	74314.59	-0.02

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.0202	6.0300
G-SEC2031	6.7837	6.7661
G-SEC2035	7.0359	7.0310
G-SEC2041	7.2115	7.1975
G-SEC2055	7.5886	7.6251
SDL2029	7.2144	-
SDL2036	7.7596	7.7745

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
BHARTI TELECOM LIMITED SR XXV 7.35 NCD 15OT27 FVRS1LAC	7.9800	99.3566
NATIONAL HOUSING BANK 7.59 BD 14JL27 FVRS1LAC	7.3100	100.1858
POWER FINANCE CORPORATION LIMITED SR 251A 6.27 BD 15JL27 FVRS1LAC	7.4650	99.0575
REC LIMITED SR 230-A 7.71 BD 26FB27 FVRS1LAC	7.0500	100.1552
BAJAJ FINANCE LIMITED 8% NCD 12MY31 FVRS1LAC	8.1990	99.1600
POWER FINANCE CORPORATION LIMITED SR 245A 7.24 BD 15JN35 FVRS1LAC	7.7938	96.7496
LIC HOUSING FINANCE LTD TR353 7.75 NCD23NV27 FVRS10LACLOAUPTO30NV17	7.6800	100.0335
POWER FINANCE CORPORATION LIMITED SERIES 193 7.93 NCD 31DC29 FVRS10LAC	7.7000	100.5672

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.1450	6.0400	6.3400	6.2500	6.6400	6.5800

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.0463%, 0.61 bps lower than the previous day's trading session.

DOMESTIC BROADCAST

The Reserve Bank of India has taken steps to absorb liquidity from the banking sector by selling bonds worth 500 billion rupees. This strategic move included the sale of securities with maturation dates slated between fiscal 2029 and fiscal 2032, marking the first net sale since November 2017. Consequently, an amount equivalent to nearly 0.2% of total deposits has been withdrawn from circulation.

The rising interest rates announced by the US Federal Reserve have led to a dip in Indian government bonds, adding urgency for the Reserve Bank of India to reassess its monetary policy strategies. With investor confidence dwindling ahead of the RBI's scheduled debt sale, market analysts are increasingly predicting an October rate hike, with some banks adjusting their predictions.

Domestic bond yields may rise as much as forty-five basis points. Elevated crude prices and rising inflation expectations weigh on sentiment. The Reserve Bank of India's open market operation sales will increase bond supply. This action drains surplus liquidity from the financial system. Bond traders anticipate yields could reach around seven point five zero percent.

GLOBAL BROADCAST

The Fed unanimously raised the target range for the federal funds rate by 25bps to 3.75%-4.00% in September 2026 as expected, marking the first rate hike since 2023. Policymakers noted that inflation remains elevated, and the move aims to support a more timely return to the 2% target.

Net Purchases of US Treasury Bonds and Notes decreased by 3600 million dollars in July of 2026. Foreign Bond Investment in the United States averaged 11169.21 USD Million from 1978 until 2026, reaching an all time high of 175162.00 USD Million in August of 2022 and a record low of -310793.00 USD Million in March of 2020.

The Bank of England's Monetary Policy Committee voted 6-3 to keep Bank Rate unchanged at 3.75% at its September 16, 2026 meeting, in line with market expectations.

The number of people claiming unemployment benefits fell by 10,000 to 196,000 in the second week of September, the least since the 60-year low of 189,000 from July, and well under market expectations of 208,000.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 209.43 bps, 3 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 41.41 bp.
 5 Years vs 2 Years bond spread is 34.63 bp.
 10 Years vs 2Years bond spread is 8.66 bp.

MARKET OUTLOOK

Today, the 10-year benchmark yields ended slightly lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 7.01% and 7.10%.