

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	96.385	+0.42
BRENT OIL	100.15	+2.19
GOLD	4205.17	+0.44
INDIA10YR	7.2133	+0.35
US10YR	5.321	+0.53
NIFTY50	22421.95	-0.88
SENSEX	71909.70	-0.79

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.1103	6.1500
G-SEC2031	6.9365	6.8919
G-SEC2035	7.1905	7.1661
G-SEC2041	7.4214	7.3835
G-SEC2055	7.6925	7.6898
SDL2029	-	-
SDL2036	-	7.8940

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	8.7457	58.9722
INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED 7.25 NCD 09JU31 FVRS1LAC	7.8171	99.1200
SIKKA PORTS	8.2500	100.1593
STATE BANK OF INDIA SR I 7.75 BD PERPETUAL FVRS1CR	8.0668	99.6758
POWER FINANCE CORPORATION LIMITED SR 261B 7.6 BD 08SP31 FVRS1LAC	7.8600	98.9315
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	7.7000	99.9926
ADITYA BIRLA HOUSING FINANCE LIMITED SR B1 7.3064 NCD 22MY28 FVRS1LAC	8.2500	98.5277
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IX 7.68 BD 10AG27 FVRS1LAC	7.6850	99.9876

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.2250	6.2650	6.4100	6.4800	6.6600	6.7300

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.2133%, 2.54 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds experienced a decline as US Treasury yields rose and supply increased ahead of the Reserve Bank of India meeting. The benchmark bond yield reached its highest level in two and a half years. Market analysts expect the RBI to raise interest rates for the first time since 2023. Additionally, bond market activity was affected by global economic conditions and expectations of further rate hikes.

India's National Stock Exchange has received a no-objection certificate to introduce futures contracts linked to a corporate bond index. This initiative, pending approval from the Reserve Bank of India, aims to enhance investor risk management. As the corporate bond market grows, driven by corporate funding needs, the current secondary-market liquidity highlights a demand for better hedging tools.

Indian government bonds closed the quarter at their weakest levels in more than two years. Fluctuations in oil prices and rising global yields influenced market conditions significantly. Anticipations regarding rate increases by the Reserve Bank of India affected bond supply fears after increased long-term bond issuance. India's inflation rate in August exceeded the RBI's medium-term target, showing persisted price pressures.

GLOBAL BROADCAST

The Eurozone's seasonally adjusted unemployment rate stood at 6.4% in August 2026, holding at the same level since February and matching analysts' forecasts. The labor market has so far proved resilient despite businesses facing rising energy prices and higher interest rates due to the prolonged Middle East conflict.

Core PCE prices in the United States, which are the Federal Reserve's preferred gauge of underlying inflation, rose by 3.3% from the previous quarter in the second quarter of 2026, falling below the 3.6% second estimate and slowing from a downwardly revised 3.9% increase in the previous period.

The US GDP implicit price deflator increased at an annualized rate of 6.1% in the second quarter of 2026, accelerating from 3.6% in the previous quarter and slightly below the second estimate of 6.4%.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 189.43 bps, 7 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 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 higher compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 7.15% and 7.25%.