SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
14TH OCTOBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.292	+0.01
BRENT OIL	106.20	+0.48
GOLD	4161.30	-0.39
INDIA10YR	7.3999	+0.49
US10YR	5.2010	-0.30
NIFTY50	22622.70	-0.44
SENSEX	72781.89	-0.34

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.4300	6.3250
G-SEC2031	7.1310	7.0864
G-SEC2035	7.3585	7.3364
G-SEC2041	7.5458	7.5241
G-SEC2055	7.8237	7.8070
SDL2029	-	7.4001
SDL2036	8.0202	8.0101

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
BAJAJ FINANCE LIMITED 7.70 NCD 20SP29 FVRS1LAC	8.5154	97.7909
REC LIMITED SR 255 7.17 BD 01JL31 FVRS1LAC	8.0247	96.3966
THE TATA POWER COMPANY LIMITED 7.50 NCD 14JL31 FVRS1LAC	8.4000	96.5155
REC LIMITED SR GOI - VIII 8.30 BD 25MR29 FVRS10LAC	8.0300	100.8989
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	7.8000	99.8888
HDB FINANCIAL SERVICES LIMITED SR 203 8.1293 NCD 16NV28 FVRS1LAC	8.4367	99.3986
TATA CAPITAL LIMITED SR A 7.97 NCD 19JL28 FVRS10LAC	8.3761	99.2994
TRUST INVESTMENT ADVISORS PRIVATE LIMITED SR V 8.80 NCD 21NV29 FVRS1LAC	8.6409	100.6467

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.3900	6.4375	6.5600	6.5950	6.7750	6.7925

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.3999%, 3.66 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds faced a downturn, attributed to soaring oil prices and statements from the Reserve Bank of India. The yield on the benchmark 6.94% 2036 bond rose following the central bank's recent rate hike. Geopolitical tensions involving Yemen and Saudi Arabia also pushed oil prices higher. With consumer inflation expected to exceed the central bank's upper tolerance limit in October, traders are keenly awaiting U.S.

Indian government bonds have rebounded following a significant rise in yields, drawing investors back into the market. The benchmark bond yield has risen due to a central bank policy rate hike and liquidity measures. The rupee has appreciated the dollar after the central bank implemented new measures to support the currency. Meanwhile, traders are anticipating US inflation data, which could influence Federal Reserve decisions.

In a significant financial shift, India's government bond yields have hit a three-and-a-half-year high of 7.39%, primarily due to the central bank's strategy to minimize liquidity. Over the past month, the yield on the 10-year benchmark has surged by 38 basis points. The Reserve Bank of India plans a bond sale of ₹25,000 crore this Tuesday while also raising the cash reserve ratio to 99%, effective from mid-October.

India's wholesale prices increased 11.39% year-on-year in September 2026, accelerating from a 9.92% rise in August and surpassing expectations of 10.18%. The data have been based on the new 2022–23 base year since September 2025. The acceleration was driven by faster increases in fuel, manufacturing, and food prices.

GLOBAL BROADCAST

China's money supply M2, which is the broadest measure of money supply, rose 7.5% year-on-year to CNY 356.808 trillion in August 2026, slightly below market expectations for a 7.6% gain and July's 7.7% increase.

The yield on Germany 20Y Bond Yield held steady at 3.82% on October 14, 2026. Over the past month, the yield has fallen by 0.05 points, though it remains 0.77 points higher than a year ago, according to over-the-counter interbank yield quotes for this government bond maturity.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 219.89 bps, 4.88 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 7.35% and 7.45%.