SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
16TH OCTOBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.012	-0.05
BRENT OIL	106.41	-0.47
GOLD	4198	+0.41
INDIA10YR	7.3789	-0.17
US10YR	5.119	+0.67
NIFTY50	23146.15	+0.65
SENSEX	747297	+0.56

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.5300	6.4950
G-SEC2031	7.1673	7.1674
G-SEC2035	7.3431	7.3587
G-SEC2041	7.5448	7.5446
G-SEC2055	7.7830	7.8181
SDL2029	7.5308	-
SDL2036	7.9717	7.9784

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 24E 7.80 BD 15MR27 FVRS1LAC	7.4149	100.0031
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	8.1600	98.2402
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR III 7.40 BD 18JU31 FVRS1LAC	8.1800	96.9886
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27A 7.16 BD 14DC29 FVRS1LAC	8.1353	97.3624
HDB FINANCIAL SERVICES LIMITED SR 191 OP 2 LOA 17MR28 FVRS1LAC	8.5500	89.0692
SAMMAAN CAPITAL LIMITED SR II 9.1 NCD 11SP31 FVRS1LAC	9.2867	99.2406
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IV 7.29 BD 09NV29 FVRS1LAC	8.1300	97.7932
SHRIRAM FINANCE LIMITED SR SFL1 PPD TR 19 OP 2 8.96 NCD 24OT27 FV1LAC	8.4500	100.4814

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5000	6.5515	6.6300	6.6225	6.7750	6.7875

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.3789%, 1.32 bps lower than the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds have experienced ongoing losses for nine consecutive weeks due to RBI's monetary tightening measures. The benchmark 6.94% 2036 bond yield has climbed over 62 basis points during this period, reflecting investor concerns. Additionally, the RBI's commitment to support the rupee and manage liquidity has further dampened bond market sentiment. Market participants are wary of possible future actions regarding bond yields as the RBI addresses financial stability.

Indian government bonds remained stable on Friday as traders contemplated the central bank's forthcoming policy moves. A noteworthy auction of 10-year bonds is on the horizon, anticipated to shed light on market demand and interest. Recent shifts in US Treasury yields have bolstered the Indian market. The Reserve Bank of India is fine-tuning financial conditions to cope with capital outflows and escalating shorting costs of the rupee.

In a move aimed at protecting investors, Kotak Mahindra Asset Management Company has put a temporary hold on subscriptions for two of its mutual fund schemes. This decision follows the zero valuation of Yes Bank AT1 bonds after a significant bank reconstruction in March 2020. Similarly, Tata Mutual Fund has restricted new investments in the Tata Gold ETF Fund of Fund, although existing investments and redemptions will continue uninterrupted.

GLOBAL BROADCAST

The Euro Area posted a trade deficit of €16.1 billion in August of 2026, swinging from a €502 million surplus in the previous year to mark the largest deficit since January of 2023. Imports surged by 16.7% from the previous year to €243.8 billion, the second-highest August figure on record after 2022, as the war in the Middle East and the resulting blockade of tankers leaving the Persian Gulf lifted petroleum and petroleum product purchases by 20.7% to €27 billion.

Reserve Balances in the United States increased to 3030855 USD Million in October 14 from 3022066 USD Million in the previous week. Reserve Balances in the United States averaged 1789065.22 USD Million from 2002 until 2026, reaching an all time high of 4273634.00 USD Million in December of 2021 and a record low of 2643.00 USD Million in February of 2008.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 2225.99 bps, 6 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 lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 7.30% and 7.40%.