SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
21ST OCTOBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	94.801	+0.05
BRENT OIL	110.41	+1.49
GOLD	4134.57	+0.06
INDIA10YR	7.4401	+0.64
US10YR	5.121	+0.16
NIFTY50	22811.35	-0.34
SENSEX	73709.69	-0.19

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.4850	6.5300
G-SEC2031	7.1922	7.1673
G-SEC2035	7.3981	7.3431
G-SEC2041	7.5848	7.5448
G-SEC2055	7.8507	7.7830
SDL2029	-	7.5308
SDL2036	8.0151	7.9717

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VII 8.05 BD 10DC29 FVRS1LAC	8.0630	99.9850
KOTAK MAHINDRA INVESTMENTS LIMITED 7.2941 NCD 20NV27 FVRS1LAC	8.0000	99.4632
STATE BANK OF INDIA SR 2 7.36 BD 11JL39 FVRS1LAC	8.1000	94.1555
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	8.2050	98.1264
CLEAN MAX ENVIRO ENERGY SOLUTIONS LIMITED SR B 8.485 NCD 28SP29 FVRS1LAC	8.7787	99.7553
FOOD CORPORATION OF INDIA IX 6.65 BD 23OT30 FVRS10LAC LOAUPTO20OT20	8.1300	95.0910
BAJAJ FINANCE LIMITED 7.87 NCD 08FB34 FVRS1LAC	8.6400	95.8526
TORRENT PHARMACEUTICALS LTD SR 4 7.80 NCD 17JN31 FVRS1LAC	8.3000	98.2000

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5800	6.5900	6.6300	6.6625	6.8150	6.8400

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.4401%, 4.81 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds experienced a significant decline due to rising oil prices, raising concerns about inflation among investors. The benchmark bond yield has reached its highest point since March, leading to a more cautious trading environment. Additionally, consumer inflation in India rose to 5.54%, with forecasts indicating further increases in October.

In a notification dated October 19, the Central Board of Direct Taxes (CBDT) said no tax would be deducted at source on interest paid to eligible bondholders during financial year 2026-27 and subsequent tax years. The exemption covers residents and foreign institutional investors.

Titan Company Ltd has successfully fulfilled its obligation by redeeming commercial papers worth Rs 1,000 crore, originally issued on July 21, 2026. As the maturity date has arrived, all investors have duly received their returns. This action adheres to the regulations established by the Securities and Exchange Board of India. As part of the Tata Group and functioning under the Tamil Nadu government, Titan encompasses various lifestyle brands.

GLOBAL BROADCAST

As ongoing protests grip France, the yields on government securities, known as OAT, have surged to a peak not seen in over 24 years. Both Marine Le Pen and Jean-Luc Melenchon lead polling efforts, presenting hurdles for any potential fiscal reforms. Such public demonstrations illustrate the persistent opposition any administration encounters while trying to enact essential reforms.

US Treasury yields experienced a rise alongside a boost in equities, particularly driven by AI stocks, which has mitigated earlier anxieties among investors. The 10-year Treasury yield saw a modest rebound after a steep decline, indicating a shift in market mood.

Japan's trade deficit widened significantly to JPY 536.6 billion in September 2026 from JPY 277.7 billion in the same month a year earlier, exceeding market expectations of a JPY 181.0 billion shortfall and marking a fifth consecutive monthly deficit. The deterioration came as imports outpaced export growth.

US crude oil inventories fell by 4.93 million barrels in the week ending October 16th, well above market expectations for a 1.3-million-barrel draw. This followed an 11.12-million-barrel decline in the previous week.

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 7.38% and 7.50%.