SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
22ND OCTOBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.171	+0.75
BRENT OIL	112	+1.64
GOLD	4106	-1.50
INDIA10YR	7.4596	+0.26
US10YR	5.069	-1.50
NIFTY50	22687.65	-0.54
SENSEX	73249.39	-0.62

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.4550	6.4850
G-SEC2031	7.2087	7.1922
G-SEC2035	7.4402	7.3981
G-SEC2041	7.5931	7.5848
G-SEC2055	7.8648	7.8507
SDL2029	7.5260	-
SDL2036	8.0299	8.0151

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27B 8.13 BD 11JN30 FVRS1LAC	8.1429	100.0200
NATIONAL HOUSING BANK 7.59 BD 08SP27 FVRS1LAC	8.0375	99.6096
BAJAJ HOUSING FINANCE LIMITED 7.87 NCD 04AG36 FVRS1LAC	8.5540	96.1407
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	8.2950	98.5830
VEDANTA LIMITED 8.75 NCD 30SP29 FVRS1LAC	8.7339	100.0000
THE TATA POWER COMPANY LIMITED 7.50 NCD 14JL31 FVRS1LAC	8.6000	95.7885
STATE BANK OF INDIA SR I 7.75 BD PERPETUAL FVRS1CR	8.2893	99.4857
BAJAJ FINANCE LIMITED 8% NCD 12MY31 FVRS1LAC	8.6800	97.4263

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5750	6.5600	6.6700	6.6250	6.8400	6.8025

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.4596%, 1.95 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

Indian bond yields remain steady at approximately 7.45%, influenced by growing inflation anxieties. The Reserve Bank of India recently increased the repo rate to 5.50%, hinting that further hikes may follow. With climbing oil prices and food inflation heightening economic concerns, analysts speculate another increase may occur in December, before a potential pause. The elevated energy costs pose significant challenges for India's economy, affecting the rupee and government finances.

Yields on the 10-year benchmark bond have increased due to high oil prices. The Reserve Bank of India rejected all bids at the treasury bill auction conducted recently. The government aimed to raise ₹23,000 crores through treasury bill sales but faced significantly higher yield bids. Market analysts indicate a potential 50 basis point hike by the RBI in December.

GLOBAL BROADCAST

Japanese investors sold a net of 161.6 billion yen of foreign bonds for the week ending on October 17, after selling a slightly upwardly revised net of 339.9 billion yen the week before. This marked a fifth consecutive week of net sales, the longest such streak since November 2022.

The Bank of Korea (BoK) left its base rate unchanged at 3.00% at its October 2026 meeting, in line with expectations, pausing after rare back-to-back 25-basis-point hikes in July and August to address inflation risks. The decision gives policymakers more time to assess how households and businesses are responding to higher borrowing costs, amid persistent price pressures and strong export-driven growth.

Foreign direct investment into China fell by 4.3% year-on-year to CNY 548.8 billion or USD 82.2 billion in the first nine months of the year, compared to a 5.3% drop in the first eight months of 2026. Outbound non-financial direct investment was USD 101 billion.

Turkey's central bank cut its one-week repo rate by 100 basis points to 36% from 37%, lowering its overnight lending and borrowing rates by the same amount to 39% and 34.5%, respectively, as expected. The Monetary Policy Committee said recent inflation data and leading indicators continued to signal a downward trend, while economic activity pointed to persistently weak domestic demand.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 239.06 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 lower compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 7.30% and 7.45%.