SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
26TH OCTOBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	95.435	+0.52
BRENT OIL	109.97	-0.61
GOLD	4024.60	+0.33
INDIA10YR	7.4826	+0.1
US10YR	4.990	+0.12
NIFTY50	22753.20	+0.68
SENSEX	73606.75	+0.66

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	6.4650	6.4725
G-SEC2031	7.3758	7.3589
G-SEC2035	7.4409	7.4471
G-SEC2041	7.6233	7.6079
G-SEC2055	7.8789	7.8798
SDL2029	7.5993	7.5968
SDL2036	8.0795	8.0293

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
BAJAJ FINANCE LIMITED NCD 21OT31 FVRS1LAC	8.5900	100.1353
TATA CAPITAL LIMITED SR P STRPP II 8.30 NCD 16MR27 FVRS1LAC	8.0175	99.9377
VEDANTA LIMITED 8.75 NCD 30SP29 FVRS1LAC	8.7321	100.0000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	8.3600	97.7604
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25A 7.70 BD 30SP27 FVRS1LAC	8.2000	99.5297
STATE BANK OF INDIA SR I 7.75 BD PERPETUAL FVRS1CR	8.2645	99.4859
BAJAJ FINANCE LIMITED 7.3763 NCD 26JU28 FVRS1LAC	8.6470	98.0258
REC LIMITED SR 248A 6.52 BD 31JN28 FVRS1LAC	8.2000	98.0068

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.5975	6.6525	6.6475	6.6880	6.8000	6.8400

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.4826%, 0.86 bps higher than the previous day's trading session.

DOMESTIC BROADCAST

India's benchmark 10-year government bond yield is expected to reach 7.75% by December. This increase is influenced by high crude oil prices and tight liquidity conditions. Persistent bond supply and expectations of further monetary tightening are driving the yield higher. Foreign portfolio investors have sold significant amounts of Indian debt, contributing to market instability. Economic concerns are spreading across emerging markets due to the interplay of oil prices and yields.

GLOBAL BROADCAST

China's central bank has introduced the Bond Market NBFI Swap Facility as of Monday. This initiative is designed to stabilize the bond market amid potential systemic stress or liquidity issues. Bank wealth management subsidiaries and public fund managers will gain access to central bank bills, enabling them to finance the purchase of qualifying bonds or units facing redemption, which can be pledged for central bank support.

Sumitomo Life Insurance will maintain its investment pace for Japanese government bonds in the upcoming months. It intends to carefully monitor yields on super-long Japanese government bonds, assessing any market volatility. The firm expects its JGB holdings to decrease in the Asset Liability Management portfolio by the end of the fiscal year. Predictions suggest that the Bank of Japan will raise its policy rate by December.

On Monday, the selloff in French government bonds paused after Moody's maintained its rating of Aa3. Weekend protests were mostly peaceful, reducing tensions in the country. France's 10-year OAT yield fell following a rise to its highest level since June 2002. The focus now turns to the European Central Bank's upcoming policy decision on Thursday. Analysts expect the ECB to monitor the rising yields closely and evaluate their impact.

Singapore's manufacturing production rose 3.4% year-on-year in September 2026, slowing sharply from a three-month high of 15.4% in the previous month.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 249.26 bps, 0.06 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 higher compared to the previous day and maintained good liquidity. The yield is projected to fluctuate between 7.45% and 7.55%.