SOVEREIGN global

DAILY REPORT
INDIAN DEBT MARKET
20TH NOVEMBER 2026

GLOBAL MARKET SNAPSHOT

MARKETS	PRICE	% CHANGE
USD/INR	92.654	-0.69
BRENT OIL	90.35	-2.01
GOLD	3576.90	-2.95
INDIA10YR	7.1868	-0.93
US10YR	4.983	-1.37
NIFTY50	25800.60	+1.12
SENSEX	83919.71	+1.08

G-SEC/BONDS YIELDS

SECURITY	LTY (%) TODAY	LTY (%) PREV
364DTB	5.6000	5.8800
G-SEC2031	7.0711	7.1209
G-SEC2035	7.1095	7.2440
G-SEC2041	7.3818	7.4341
G-SEC2056	7.6801	7.7409
SDL2029	-	-
SDL2036	7.8356	7.8709

MOST ACTIVELY TRADED CORPORATE BONDS

SECURITY	YTM (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26F 7.44 BD 17JL29 FVRS1LAC	8.1700	98.2593
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR IV 7.44 BD 10AP28 FVRS1LAC	8.3200	98.9304
INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED 7.25 NCD 09JU31 FVRS1LAC	7.5145	100.000
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 27A 7.16 BD 14DC29 FVRS1LAC	8.1537	97.4213
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VIII 8.17 BD 06NV31 FVRS1LAC	8.0600	100.4015
LARSEN AND TOUBRO LIMITED SR 4 8 NCD 23AP30 FVRS10LAC	7.8700	100.2825
POWER FINANCE CORPORATION LIMITED SR 262B 8.05 BD 17NV31 FVRS1LAC	8.0451	99.9700
REC LIMITED SR 216A 7.55 BD 31MR28 FVRS10LAC	8.2000	99.1230

OVERNIGHT INDEXED SWAP

OIS(1YEAR)		OIS(2YEAR)		OIS(5YEAR)	
OPEN	CLOSE	OPEN	CLOSE	OPEN	CLOSE
6.4600	6.4675	6.4500	6.4300	6.4900	6.4525

BOND MARKET

The 10-year benchmark recorded (6.94% GS 2036) a close of 7.1868%, 6.75 bps lower than the previous day's trading session.

DOMESTIC BROADCAST

Indian government bonds saw slight gains, reflecting the upward trend in US Treasuries. Investors are keeping a close eye on the forthcoming weekly debt auction, pivotal for market movements. With retail inflation and fluctuating oil prices in play, the Reserve Bank of India may entertain further rate hikes. Although benchmark Brent crude holds steady, it remains vulnerable to geopolitical shifts, prompting caution among traders as they await auction results.

India's stock market is experiencing valuation challenges due to increasing bond yields that diminish equity attractiveness. The gap between government bond yields and stock earnings yield has widened significantly recently. Analysts suggest that high bond yields could hamper valuations as earnings struggle to catch up. Many global firms maintain a bullish outlook on India's market despite this pressure.

The Reserve Bank of India is investigating suspicious trading activities involving illiquid state development loans in September. Some traders allegedly tried to manipulate prices to mitigate quarter-end mark-to-market losses for their banks. Transactions involved circular trading between banks to create artificial price support during rising bond yields. Concerns have also emerged regarding unusual trades in a central government security with a long maturity.

GLOBAL BROADCAST

Reserve Balances in the United States increased to 2969977 USD Million in November 11 from 2962804 USD Million in the previous week. Reserve Balances in the United States averaged 1792784.19 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.

Japan's annual inflation rate accelerated to 2.3% in October 2026 from 2.1% in the prior month, marking the highest level since November 2025.

The People's Bank of China (PBoC) maintained the five-year loan prime rate (LPR), the benchmark for mortgage rates, at a record low of 3.5% for the 18th consecutive month in its November fixing, following a 10-basis-point cut in May 2025.

Germany's producer prices jumped 8.1% year-on-year in October 2026, accelerating from 6.7% in the previous month and marking the fastest increase since February 2023.

SPREAD ANALYSIS

The India 10Years vs the United States 10 Years Government Bond spread value is 235.78 bps, 6 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 7.10% and 7.25%.

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