

Business Standard

THE MARKETS ON FRIDAY

		change †
Sensex	75,528.0	▲ 1,695.4
Nifty	23,622.9	▲ 461.3
Nifty Futures*	23,686.6	▲ 63.7
Dollar	₹95.1	₹95.8 ‡
Euro	₹110.2	₹110.5 ‡
Brent Crude (\$/bbl)	86.6*	88.9 ‡
Gold (10gm)**	₹1,47,208.0	▲ ₹3,006.0

† Over previous close; * (June) Premium on Nifty Spot; † Spot price at 6 pm IST
‡ Previous close; * At 9pm IST; ** Market rate exclusive of GST; Source: IBA



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Carmakers kick off price hikes to offset higher input costs



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Trump accuses Iran of attacking Indian ships, says it's 'totally unacceptable'

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The question of compensation in a homemaker's death



₹40K cr rush: Companies lock in easing bond yields

₹27K cr debt haul this week; pipeline holds ₹13K cr for next week

ANJALI KUMARI
Mumbai, 12 June

Corporate bond issuances gathered pace this week, with borrowers raising about ₹27,000 crore as a decline in bond yields reduced borrowing costs, encouraging issuers to tap the debt market.

The issuance pipeline remains active — Housing and Urban Development Corporation (Hudco), Small Industries Development Bank of India (Sidbi) and REC Ltd are scheduled to raise a combined ₹13,000 crore through bond sales next week.

Yields on high-rated corporate bonds have eased by 50-70 basis points following the Reserve Bank of India's recent measures to attract inflows through FCNR(B) deposits, external commercial borrowings and other channels. Market confidence has also strengthened on expectations that policy support will help stabilise funding conditions and the rupee.

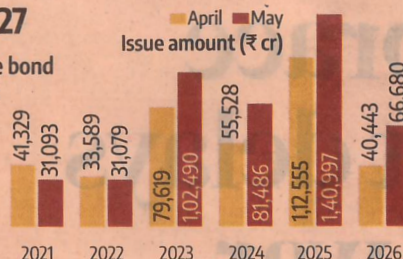
The yield on the benchmark 10-year government bond fell by nearly 9 basis points this week.

The pickup in primary market activity follows a comparatively subdued start to the financial year, when elevated yields prompted borrowers to rely more heavily on bank loans. Indian companies raised just

A slow start to FY27



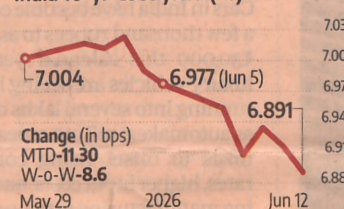
Corporate bond issuances



Source: primedatabase.com

Strengthening bonds

India 10-yr Gsec yield (%)



Change (in bps)
MTD -11.30
W-o-W -8.6

Source: Bloomberg

This week's top bond issuers

Amount (₹ crore)



Source: BSE

over ₹1.07 trillion through the domestic bond market in April and May, down nearly 58 per cent from the same period a year earlier and marking the lowest mobilisation for the first two months of a financial year since FY23. Market participants attributed the decline in issuance to elevated bond yields amid the West Asia crisis, which kept issuers away from the debt market.

"The recent surge in corporate bond issuances reflects issuers

making a beeline for the bond market to lock in funding while the issuance window remains favourable," said Venkatakrishnan Srinivasan, founder and managing partner of Rockfort Fincap LLP. "While floating-rate structures had witnessed strong demand until recently, many issuers now appear more comfortable locking in current yields rather than remaining exposed to future benchmark resets." Turn to Page 6 ▶

₹40K crore rush: Companies lock in easing bond yields

Public-sector institutions including National Bank for Financing Infrastructure and Development (NaBFID), National Bank for Agriculture and Rural Development (Nabard), Hudco, Sidbi, REC, and LIC Housing Finance, alongside private-sector borrowers such as Bajaj Finance, Bajaj Housing Finance, Tata Capital, Tata Capital Housing Finance, HDB Financial Services, Sundaram Finance, Kotak Mahindra Prime and L&T Finance, have either tapped the bond market recently or are scheduled to raise funds in the coming days.

On Friday, infrastructure financier NaBFID raised ₹5,000 crore through two tranches of non-convertible debentures. The development finance institution accepted bids worth ₹2,500 crore in a 10-year bond at a yield of 7.66 per cent and ₹2,500 crore in a three-year bond at 7.37 per cent.

Issuance activity has also broadened across maturities. While the three-year segment continues to attract demand from mutual funds and bank treasuries, several issuers have also raised funds through five-year and 10-year bonds. Market participants said borrowers are increasingly seeking to term out liabilities and secure longer-tenor funding amid uncertainty over the

Debt fundraise

Corporate bond issue amount (₹ cr)

2021-22	645,102	
2022-23	858,201	
2023-24	1,023,763	
2024-25	1,102,277	
2025-26	1,079,579	
2026-27*	107,122	

*until May 2026

Source: primedatabase.com

medium-term outlook for interest rates, inflation, crude oil prices and global geopolitical developments.

“Several issuers had deferred their borrowing plans amid uncertainty. As market stability has improved, yields have softened and RBI measures have supported liquidity and foreign inflows, those planned issuances are now returning to the market, leading to a pickup in corporate bond supply,” said Ajay Manglunia, executive director and fixed income market head at Capri Global Capital Ltd.

During April and May, several large state-owned borrowers withdrew planned bond issues amid concerns over pricing and investor demand. Market participants said some issuers were unable to raise their targeted amounts at desired rates, while others were unwilling to borrow at elevated yields. Nabard was among the issuers that withdrew a planned bond sale.