

Debt fundraising halves in August

Indian corporate bond issuance is unlikely to rebound in September after debt fundraising nearly halved month-on-month in August, with a spike in yields reducing incentive for firms to lock in borrowing, keeping primary-market activity subdued.

Indian companies raised around ₹61,760 crore through private placement of bonds in August, according to data from Prime Database. The quantum witnessed a 45% drop as compared to July, while yields rose across the curve mainly led by the shorter end

Liquidity by itself will not translate to stronger corporate bond fundraising which is one of the reasons issuance has been moderating, said Venkatakrishnan Srinivasan, founder and managing partner of debt advisory firm Rockfort Fincap.

Firms had raised ₹113 trillion and ₹1.16 trillion in June and July, in the background of easing crashed after central bank's dollar-attracting measures in June.

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