

20 May 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.44	-4
US 2Y*	3.97	-3
Germany 10Y	2.59	0
UK 10Y	4.66	1
Japan 10Y	1.47	3

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.94	-2
6.33% GS 2035* (10Y)	6.24	1
6.92% GS 2039*	6.42	2
1-Month T-bill	5.72	-4
3-Month T-bill	5.76	-1
6-Month T-bill	5.75	-2
12-Month T-bill	5.81	4

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	102	94	103	65
AA	182	179	190	159
A	376	369	381	352

Source: FIMMDA, as on 16 May, 2025

Key rates	
Policy	Rate (in %)
Repo rate	6.00
Standing Deposit Facility Rate	5.75
Bank rate	6.25
1-year median MCLR of SCBs	9.00
SOFR	4.30

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	151.4	5.79
Triparty Repo	3,833.2	5.64
Market Repo	1,916.2	5.68
Repo in corporate bond	19.2	5.89

Source: RBI, as of 19 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,059	-0.3
NIFTY	24,945	-0.3
NASDAQ	19,215	0.0
S&P 500	5,964	0.1
Nikkei 225	37,689	-0.2
Euro Stoxx 50	5,427	0.0

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	65.5	0.1
Natural gas Nymex (USD/MMBtu)	3.1	-5.7
Gold Comex (USD/t oz.)	3,217.9	1.0
Copper Comex (USD/lb)	464.5	1.1
Wheat cbot (USD/bu.)	529.0	0.8

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.40	-0.1
GBP/ INR	114.11	0.4
EUR/ INR	95.97	0.7
EUR/USD	1.12	0.7
DX Index	100.37	-0.6

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: T-bill & VRR auction; **Policy Rate:** China, Australia; **Germany:** PPI Apr'25; **Canada:** CPI Apr'25

Domestic

RBI proposes easing norms for AIF investments (Source: RBI): After previously barring REs from AIF investments, RBI has proposed regulations to ease investments norms including unrestricted investment upto 5% of a scheme, with contribution of single RE capped at 10% and RE investments cumulatively capped at 15% of scheme. Further, if the downstream debt investment of the scheme is in a debtor firm, RE shall be required to make 100% provision in its investments above the unrestricted 5%.

Union expects to broker multi-phase US trade deal (Source: ET):

According to media sources, the Union is discussing a 3-phase trade deal with the US. The first phase would be an interim deal likely covering market access to industrial goods, farm products and lower non-tariff barriers. The second phase involves detailed agreement over 19 sectors as earlier envisaged, expected in Sep'25. The final leg would be a comprehensive deal to be concluded by mid-CY26.

Union plans on tightening foreign ownership norms (Source: BS):

According to media sources, Union is planning to revise foreign investment regulations to better monitor foreign-owned and controlled entities, redefining share transfer and restructuring norms, while creating a new category of investments for better foresight.

Union invokes gas plants to meet surge in demand (Source: ET):

According to media sources, Union has mandated increased gas-fired power generation until 30 Jun'25 to meet surging electricity demand. Gas-fired units will receive 2 weeks' notice for arranging fuel.

International

US Fed officials sound caution over risks (Source: Forexlive, Reuters):

- Mr. Bostic is leaning towards one rate cut in CY25 due to tariff and rating uncertainty
- Mr. Jefferson is comfortable with current policy amidst stubborn inflation, trade policies, and rating action
- Ms. Logan called for stronger mechanisms to keep money-market interest rates from spiking during times of stress.
- Mr. Kashkari stated that flux in trade policies and rating downgrade creates turbulent markets and impacts business investment decisions

China cuts policy rate to aid economy (Source: WSJ): PBoC cut its 1Y loan prime rate by 10 bps to 3%, while reducing the 5Y LPR by a similar margin to 3.5%. Further, top 5 Chinese state banks have trimmed deposit rates on time deposits by 5 bps, 1Y deposits by 15 bps to 0.95% and by 25 bps on 3Y and 5Y savings.

China voices out against US chip curbs (Source: Bloomberg): China urged the US to stop discriminatory measures against Chinese chip companies, which could undermine bilateral consensus, vowing resolute retaliatory measures.

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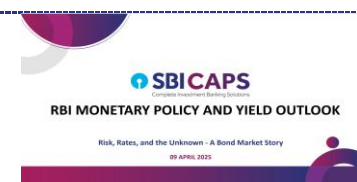


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