

21 May 2025

# The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.50	6
US 2Y*	3.97	0
Germany 10Y	2.60	1
UK 10Y	4.70	4
Japan 10Y	1.50	3

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.90	-4
6.33% GS 2035* (10Y)	6.22	-2
6.92% GS 2039*	6.40	-2
1-Month T-bill	5.75	3
3-Month T-bill	5.67	-9
6-Month T-bill	5.74	-1
12-Month T-bill	5.80	-1

Source: CCIL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	107	92	103	102
AA	187	177	190	192
A	381	367	381	385

Source: FIMMDA, as on 19 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	4.29

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	167.3	5.79
Triparty Repo	3,778.6	5.66
Market Repo	1,776.8	5.69
Repo in corporate bond	17.3	5.87

Source: RBI, as of 20 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,186	-1.1
NIFTY	24,684	-1.0
NASDAQ	19,143	-0.4
S&P 500	5,940	-0.4
Nikkei 225	37,492	-0.5
Euro Stoxx 50	5,455	0.5

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	66.4	1.4
Natural gas Nymex (USD/MMBtu)	3.4	8.0
Gold Comex (USD/t oz.)	3,305.5	2.7
Copper Comex (USD/lb)	468.9	0.9
Wheat cbot (USD/bu.)	549.8	3.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.64	0.3
GBP/ INR	114.94	0.7
EUR/ INR	96.86	0.9
EUR/USD	1.13	0.7
DX Index	100.12	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Key events

**India:** T-Bill and VRR auctions; **Japan:** Trade Balance Apr'25; **UK:** CPI Apr'25; **Policy Rate:** Indonesia

## Domestic

**Core sectors' growth slows in Apr'25 (Source: PIB):** Growth in eight core index clocked 0.5% y/y in Apr'25, compared with 4.6% in Mar'25. Growth was in sub-indices was as follows: cement (6.7%), coal (3.5%), steel (3.0%), and electricity (1.0%). Production of natural gas, fertilisers, and crude oil declined on year.

**Union discusses expediting conclusion of first phase of trade pact with the US (Source: ET):** Mr. Goyal held discussions with US Commerce Secy. Mr. Lutnick to accelerate negotiations for the initial phase of the Agreement. Discussions aim to finalize the first phase by fall, focusing on market access, rules of origin and non-tariff barriers.

**Union may allow FDI in nuclear energy in phases (Source: ET):** As per media sources, Union may allow 49% FDI in nuclear energy but the cap would be released only in phases. It could in the initial phase only allow up to 26% FDI and raise it later after a review.

**Finance Minister calls for balance between regulations and growth (Source: ET):** Ms. Sitharaman urged the CCI to balance regulatory vigilance with a pro-growth approach. She emphasised that ongoing structural reforms, including asset monetisation, disinvestment, deepening digital public infrastructure.

## International

**Countries continue trade negotiations (Source: Reuters, WSJ):**

- China urged US to immediately remove protectionist measures on Chinese chips
- A Mexican Minister said Mexico's US auto exports will benefit a 10pp discount on tariff, therefore effective tariff would be 15%
- As per media sources, Japan is considering accepting lower US tariff rates and not demanding complete exemption
- South Korea pledged more support measures for key export industries, including the biopharmaceutical and auto sectors

**US Fed officials expect tariffs to boost prices (Source: Reuters):**

- Ms. Hammack noted that brewing US policies make stagflation likely
- Mr. Bostic mentioned Fed needs to be more certain about the outlook to be comfortable with how policy should shift
- Mr. Musalem said that while the current policy is fine, if inflation expectations get unanchored, policy should prioritise price stability

**Japan's exports slow in Apr'25 (Source: Reuters):** Japan's export growth slowed to 2% y/y in Apr'25 from 4% in Mar'25, weighed by a decline in automobile shipments to the US. Imports fell 2.2% y/y in Apr'25, less than a 4.5% drop expected. As a result, Japan marked a trade deficit of JPY 115.8 bn, dashing expectations for a JPY 227.1 bn surplus.

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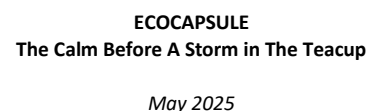
**Australia cuts policy rate (Source: CNBC):** The Reserve Bank of Australia cut its policy rate by 25 bps to the lowest in two years at 3.85% as inflation concerns continue to recede. It added that the upside risks to inflation had diminished yet the uncertainty over global trade policy will continue to weigh on the economy.

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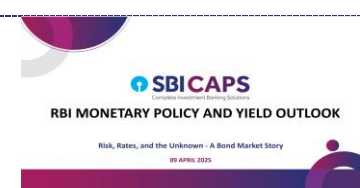
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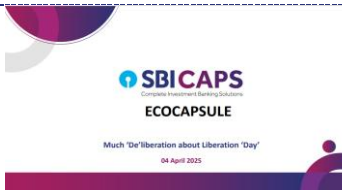
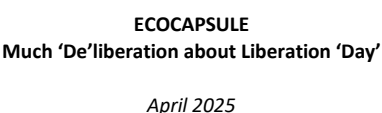
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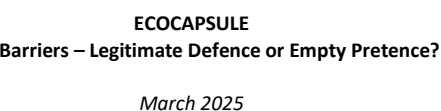
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