

22 May 2025

# The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.59	9
US 2Y*	4.00	3
Germany 10Y	2.64	4
UK 10Y	4.75	5
Japan 10Y	1.52	2

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.87	-3
6.33% GS 2035* (10Y)	6.21	-2
6.92% GS 2039*	6.38	-2
1-Month T-bill	5.85	10
3-Month T-bill	5.70	3
6-Month T-bill	5.74	0
12-Month T-bill	5.80	0

Source: CCIL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	127	92	105	58
AA	207	177	192	153
A	401	367	383	346

Source: FIMMDA, as on 20 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	4.27

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	179.1	5.80
Triparty Repo	3,912.9	5.73
Market Repo	1,771.8	5.75
Repo in corporate bond	19.0	5.92

Source: RBI, as of 21 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,597	0.5
NIFTY	24,813	0.5
NASDAQ	18,873	-1.4
S&P 500	5,845	-1.6
Nikkei 225	37,299	-0.5
Euro Stoxx 50	5,454	0.0

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	64.8	-2.3
Natural gas Nymex (USD/MMBtu)	3.4	-0.6
Gold Comex (USD/t oz.)	3,370.5	2.0
Copper Comex (USD/lb)	471.1	0.5
Wheat cbot (USD/bu.)	544.8	-0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.64	0.0
GBP/ INR	114.96	0.0
EUR/ INR	96.98	0.1
EUR/USD	1.13	0.2
DXY Index	99.56	-0.6

Source: Morningstar, Bloomberg, Marketwatch

## Key events

**India:** VRR auction; **Flash PMI May'25:** India, US, Eurozone, Japan; **GDP Q1CY25:** Mexico, Singapore; **US:** Jobless claims

## Domestic

### India and US look for interim trade deal before 8 Jul'25 (Source: ET):

As per media reports, in this deal:

- India is demanding full exemption from 10% baseline and 26% additional tariff. However, some indicate that India cannot get MFN status in US without Congress approval
- India is seeking duty concessions for labour intensive sectors including textiles and gems and jewellery. Sensitive sectors such as agriculture and dairy may get some quota or minimum import price
- US wants lower duties on industrial goods, autos (especially EVs), petrochemical products, and some agricultural produce

### India-EU early harvest trade agreement may happen by Jul'25 (Source: ET):

As per media reports:

- EU wants duty cuts on autos, medical devices, and certain agricultural products. It also wants a stringent IPR regime
- India may ask for its pound of flesh in the realm of RMG, pharma, steel, petroleum products, and electrical machinery

### Country displaying resilience amidst global adversity (Source: RBI):

As per RBI's May'25 Bulletin:

- India is positioned to become a 'connector country' amid global trade realignments. Its economy is resilient despite global fragility
- Gross ECB registrations touched USD 61.2 bn in FY25 (up 24% y/y), with gross disbursements at USD 54.1 bn. Net ECB inflows were at USD 25.1 bn, nearly 3x the level seen in FY24
- NRI deposit flows of USD 16.1 bn were witnessed in FY25 (FY24: USD 14.7 bn), with all three subsegments gaining. This led to gain in outstanding to USD 164.6 bn as of Mar'25 (Mar'24: USD 151.9 bn)
- Net purchase of foreign currency in Mar'25 was USD 14.4 bn, with FY25 sales at USD 291.2 bn. Outstanding net forward sales as of Mar'25 stood at USD 84.3 bn

### Air passenger traffic rebounds in Apr'25 (Source: DGCA, ET):

Domestic airlines ferried 1.43 mn passengers in Apr'25, up a healthy 8.4% y/y. In 4MCY25, passenger traffic was up 9.9% y/y.

## International

### US House Committee clears sweeping tax reforms (Source: Reuters, CNBC):

The Rules Committee of the House of Representatives, which is Republican dominated, voted to advance Mr. Trump's sweeping tax cut and spending Bill, setting the stage for a vote in the coming hours. The updated Bill speeds up Medicaid cuts and eliminates clean energy tax breaks.

### China-ASEAN trade negotiations complete (Source: Reuters):

The two blocks have agreed to an upgraded version (3.0) of their FTA. The deal now includes the digital and green economy, supply chain connectivity, and other new industries.

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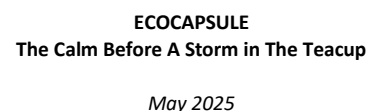
**Indonesia slashes policy rate (Source: Reuters):** The benchmark 7-day reverse repo rate was cut by 25bps to 5.50% after leaving the rate steady for three meetings previously. This was in line with expectations.

# Our Recent Publications



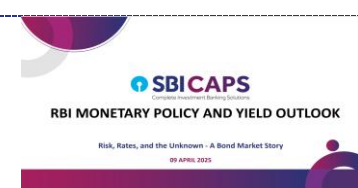
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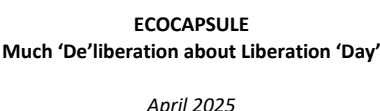
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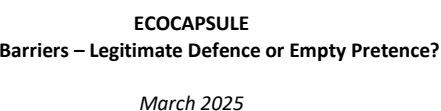
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