

29 May 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.50	4
US 2Y*	4.00	4
Germany 10Y	2.55	2
UK 10Y	4.72	6
Japan 10Y	1.50	1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.83	-2
6.33% GS 2035* (10Y)	6.17	-3
6.92% GS 2039*	6.38	-1
1-Month T-bill	5.64	-3
3-Month T-bill	5.61	-2
6-Month T-bill	5.62	-3
12-Month T-bill	5.62	-1

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	64	102	104	109
AA	145	187	191	199
A	339	377	382	392

Source: FIMMDA, as on 27 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	4.31

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	159.8	5.80
Triparty Repo	4,026.1	5.71
Market Repo	1,730.4	5.71
Repo in corporate bond	15.6	5.89

Source: RBI, as of 28 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,312	-0.3
NIFTY	24,752	-0.3
NASDAQ	19,101	-0.5
S&P 500	5,889	-0.6
Nikkei 225	37,722	0.0
Euro Stoxx 50	5,378	-0.7

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	65.7	2.0
Natural gas Nymex (USD/MMBtu)	3.2	-6.2
Gold Comex (USD/t oz.)	3,287.7	-1.4
Copper Comex (USD/lb)	469.3	-0.9
Wheat cbot (USD/bu.)	531.3	-0.2

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.36	0.0
GBP/ INR	114.85	-0.4
EUR/ INR	96.03	-0.4
EUR/USD	1.13	-0.6
DXY Index	100.24	0.6

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: VRR auction; **US:** GDP Q1CY25, Jobless Claims, Pending Home Sales Apr'25; **S. Korea:** Policy Rate

Domestic

IIP limps ahead in Apr'25, salvaged by construction goods (Source: PIB): Industrial production rose 2.7% y/y. Manufacturing fared relatively better, rising 3.4%, with traction in machinery and equipment, motor vehicles, and electrical equipment. Mining production contracted 0.2% on year, while electricity rose by 1.1%. Based on end-use, infrastructure/construction goods rose by 8.5%.

Minimum support price for kharif crops increased (Source: PIB): The Cabinet approved increased MSP for crops for marketing season 2025-26. Paddy MSP was increased by 3% y/y to Rs. 2,369/quintal. Sharpest increases were seen for coarse cereals with ragi seeing a 14% increase. Pulses and oilseeds also saw healthy increases. Cotton saw an 8% price increase.

Cabinet approves key projects (Source: PIB): The Cabinet greenlit:

- 108 km, 4-lane Badvel-Nellore Highway on DBFOT basis at capital cost of Rs. 36.5 bn
- Ratlam-Nagda (3rd and 4th line) and Wardha-Ballarshah (4th line) railway multi-tracking project at cost of Rs. 34 bn by FY30
- Continuation of Modified Interest Subvention Scheme for FY26 with existing 1.5% subvention

Interim trade deal with US possible by 25 Jun'25 (Source: The Telegraph): Media sources quoting the Indian trade talk team said the two countries may agree on an interim deal by 25 Jun'25. A team of us officials is expected to visit India in Jun'25 for trade talks.

International

FOMC members worries about tariff fuelled inflation in May'25 meeting (Source: US Federal Reserve, CNBC): The Minutes of the FOMC revealed the misgivings of policymakers regarding fiscal and trade policy, warning that they face difficult trade-offs if inflation is persistent even as growth and employment outlook weaken. Nevertheless, they said economic activity was expanding at a "solid" pace, brushing off the Q1CY25 GDP print to measurement issues.

US courts strike down Mr. Trump's Liberation Day tariffs (Source: DW): The Court of International Trade averred that the POTUS overstepped his authority when imposing the tariffs. The Court emphasised that only Congress could regulate international commerce, and this cannot be overruled by the POTUS' emergency authority.

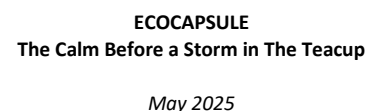
S. Korea slashes policy rate for fourth time (Source: Nikkei Asia): Waning growth expectations forced the Bank of Korea to cut its key policy rate by 25bps to 2.50%, a month after putting up a brave face by holding rates steady in the last meeting. It also slashed its CY25 GDP growth forecast just 0.8% y/y, considerably lower than the previous projection of 1.5%.

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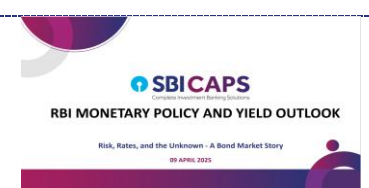
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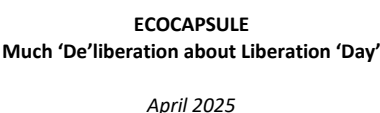
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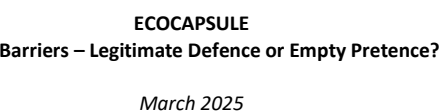
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