

30 May 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.41	-9
US 2Y*	3.94	-6
Germany 10Y	2.50	-5
UK 10Y	4.64	-8
Japan 10Y	1.49	-1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.84	0
6.33% GS 2035* (10Y)	6.18	1
6.92% GS 2039*	6.39	1
1-Month T-bill	5.69	5
3-Month T-bill	5.60	-1
6-Month T-bill	5.61	-1
12-Month T-bill	5.60	-2

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	62	59	112	97
AA	143	144	199	187
A	337	334	390	380

Source: FIMMDA, as on 28 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	4.33

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	159.8	5.78
Triparty Repo	3,889.3	5.72
Market Repo	1,710.1	5.69
Repo in corporate bond	11.6	5.91

Source: RBI, as of 29 May, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,633	0.4
NIFTY	24,834	0.3
NASDAQ	19,176	0.4
S&P 500	5,912	0.4
Nikkei 225	38,433	1.9
Euro Stoxx 50	5,371	-0.1

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	64.0	-2.6
Natural gas Nymex (USD/MMBtu)	3.5	10.6
Gold Comex (USD/t oz.)	3,327.8	1.2
Copper Comex (USD/lb)	465.6	-0.8
Wheat cbot (USD/bu.)	535.5	0.8

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.52	0.2
GBP/ INR	115.06	0.2
EUR/ INR	96.87	0.9
EUR/USD	1.14	0.9
DXY Index	99.41	-0.8

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: GDPQ4FY25 and FY25, Bank Credit and Rates Apr'25, Fiscal Balance Apr'25 and FY25, G-sec and VRR auctions; **US:** PCE Apr'25, Goods Trade Balance Apr'25; **Germany:** CPI May'25, Retail Sales Apr'25; **GDP Q1CY25:** Brazil, Turkey, Canada

Domestic

Central Bank to maintain growth-supportive approach (Source: RBI): Highlights of RBI Annual Report FY25:

- Factors like easing supply chain pressures, commodity prices, above normal monsoons and trade pacts bodes well for growth in FY26
- Policy will be growth supportive, with benign inflation and moderate growth, while being vary of global conditions
- RBI's balance sheet grew 8.2% y/y to Rs. 76.3 trn in FY25.
- RBI's gain from forex transactions rose 33% y/y to Rs. 11.1 trn, while income from foreign securities rose 48% y/y to Rs. 9.7 trn in FY25

Union officials remain upbeat on potential trade deals (Source: Reuters, Tol): India's chief negotiator for talks with US, Mr. Agrawal expressed confidence over the progress of the deal, while remaining hopeful of good outcomes sooner rather than later. Commerce Minister Mr. Goyal affirmed this and added that fast progress was being made with EU too.

New crypto regulations may be in the offing (Source: ET): As per media sources, the country may float a discussion paper in Jun'25 outlining policy framework options for cryptocurrency assets. The paper will draw from a synthesis paper of the IMF and FSB.

International

US court temporarily reinstates tariffs, POTUS seeks alternatives (Source: Reuters, WSJ): US appeal court temporarily reinstated Mr. Trump's reciprocal tariffs to allow for formal process to take place. This comes after Mr. Hassett said he was confident of such a move. Further, according to media sources, the POTUS is considering a stopgap effort to impose 15% tariffs for 150 days under existing laws.

US Treasury Secretary says China talks are slow (Source: WSJ): Mr. Bessent admitted that trade negotiations with China have stalled, but hopes for quicker resolutions in near term.

US GDP growth revised upwards for Q1CY25 (Source: US BEA): US GDP contracted 0.2% q/q saar in Q1CY25, revised upwards 0.1pp, with an upward revision to investments offset by downward revisions to consumer spending. Consumer spending grew a tepid 1.2%, while investments surged 24.4% in Q1CY25.

US Fed officials express nuance over policy (Source: Reuters):

- Ms. Logan interjected that the monetary policy is in a good place to deal with stubborn inflation and solid labour markets
- Ms. Daly declared her main focus is inflation, as economy remains strong with solid labour markets, amidst uncertain impact of tariffs
- Mr. Goolsbee feels that avoidance of tariffs could lead to lower rates but thinks that the tariff ruling could extend uncertainty

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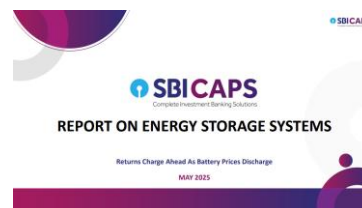
- Ms. Kugler said she is monitoring markets to sense diminished investor interest amidst wild policy shifts

Germany considers levy on digital services (Source: Reuters): Germany is considering a 10% tax on large online platforms which is likely to stoke global trade tensions with large US corporations in the crossfire, while also seeking to talk with firms to explore alternative solutions like voluntary contributions that could alleviate concerns.

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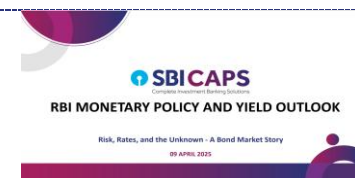
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