

9 June 2025

# The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.51	12
US 2Y*	4.04	13
Germany 10Y	2.57	-1
UK 10Y	4.64	3
Japan 10Y	1.44	0

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.82	-3
6.33% GS 2035* (10Y)	6.24	4
6.92% GS 2039*	6.50	8
1-Month T-bill	5.27	-25
3-Month T-bill	5.36	-19
6-Month T-bill	5.39	-16
12-Month T-bill	5.40	-12

Source: CCIL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	109	122	115	60
AA	190	204	200	156
A	379	394	391	350

Source: FIMMDA, as on 05 Jun, 2025

Key rates	
Policy	Rate (in %)
Repo rate	5.50
Standing Deposit Facility Rate	5.25
Bank rate	5.75
1-year median MCLR of SCBs	8.95
SOFR	4.29

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	126.3	5.42
Triparty Repo	4,070.2	5.29
Market Repo	1,878.0	5.41
Repo in corporate bond	18.5	5.67

Source: RBI, as of 06 June, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,189	0.9
NIFTY	25,003	1.0
NASDAQ	19,530	1.2
S&P 500	6,000	1.0
Nikkei 225	37,742	0.5
Euro Stoxx 50	5,430	0.4

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	66.5	2.0
Natural gas Nymex (USD/MMBtu)	3.8	2.4
Gold Comex (USD/t oz.)	3,346.6	-1.2
Copper Comex (USD/lb)	484.8	-1.4
Wheat cbot (USD/bu.)	554.8	1.2

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.64	-0.2
GBP/ INR	115.71	-0.7
EUR/ INR	96.81	-1.4
EUR/USD	1.14	-0.3
DXI Index	99.20	0.4

Source: Morningstar, Bloomberg, Marketwatch

## Key events

**India:** VRR Auction; **China:** CPI May'25, PPI May'25, Trade Balance May'25

## Domestic

### MPC votes in favour of growth in policy (Source: RBI):

- The MPC decided to cut policy repo rate by 50 bps to 5.5% by 5:1 vote, beating expectations of 25bps cut
  - The stance was unanimously changed to "Neutral" from "Accommodative", signalling future cuts would be limited
  - The CRR was slashed by 100bps to 3% (to be cut in 4 equal tranches from Sep'25), potentially releasing Rs. 2.5 trn for credit needs
  - GDP growth forecast for FY26 remained unchanged at 6.5% y/y whereas CPI was pegged downwards by 30 bps to 3.7% y/y for FY26
- Please refer to our Report on the RBI Policy titled "Inflation Battle Turns into A Campaign for Growth" for more details

### Automobile retail sales inch up in May'25 (Source: FADA):

Auto retail sales rose 5.0% y/y in May'25 to 2.2 mn units. Growth was fair in 2W and 3W while PV sales fell on year. CV sales also dipped on year on muted freight cycles and tight liquidity. Inventory has now reached 52-53 days (normative: 21 days).

### Union hurries to set up new supply chain for EV components

(Source: The Hindu Businessline): Union is racing to forge rare earth magnet supply chains with five nations as China's export chokehold imperils EV production. It will also amend the Mines and Minerals Act, 2023 to permit use of Rs. 56 bn for overseas critical mineral exploration.

## International

### US labour market remains resilient in May'25 (Source: Bloomberg):

Non-farm payrolls rose by 139k in May'25, stronger than expectations of 126k, yet lower than revised 147k in Apr'25, driven by gains in health care, leisure and hospitality, and social assistance. Notably, unemployment rate remained unchanged at 4.2% in May'25.

### POTUS claims China agreed to continue supply rare earth minerals

(Source: Reuters): Mr. Trump said China agreed to let rare earth minerals and magnets supply to US, to lower trade tensions. As per media sources, China has granted temporary export licenses to rare-earth suppliers of the top three US automakers.

### China's trade surplus widens in May'25 (Source: FXStreet):

China's trade surplus widened in May'25 to CNY 743.6 bn, expanding from Apr'25 as imports shrank by 2.1% y/y whereas exports rose by 6.3%. Surplus with the US reduced in May'25 to USD 18 bn vs. Apr'25 (in USD terms).

### China remains deflationary in May'25 (Source: CNBC):

China's CPI slid 0.1% y/y in May'25, driven by fall in food prices (Apr'25: -0.1%). Notably, core inflation rose 0.6% in May'25, from 0.5% in Apr'25. China PPI fell 3.3% in May'25, extending a 31-month falling streak.

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## **Growth better than expected in key economies in Q1 (Source: Euronews, Reuters):**

- Eurozone grew by 0.6% q/q in the Q1CY25, up from the 0.3% projected last month. Increase in exports positively affected growth
- Japan's economy contracted by 0.2% y/y in the Q1CY25 at a slower pace than initially estimated 0.7% with private consumption revised upwards at 0.1%

**Russia's cuts policy rates for first time since CY22 (Source: Reuters):** Russia's Central Bank cut its key interest rate by a full percentage point to 20% as the economy cools.

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**Monetary Policy\_Jun'25**  
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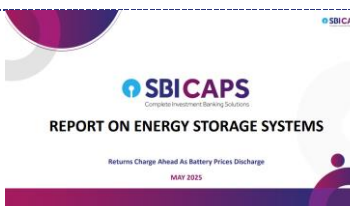
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**Report on Energy Storage Systems**  
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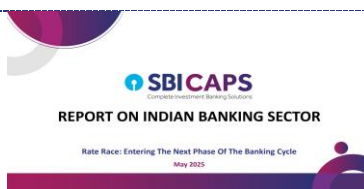


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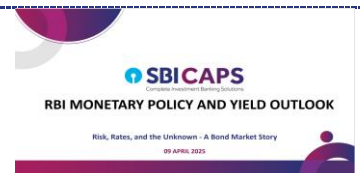


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