

10 June 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.49	-2
US 2Y*	4.01	-3
Germany 10Y	2.56	-1
UK 10Y	4.63	-1
Japan 10Y	1.45	1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.88	7
6.33% GS 2035* (10Y)	6.28	5
6.92% GS 2039*	6.58	8
1-Month T-bill	5.25	-2
3-Month T-bill	5.32	-4
6-Month T-bill	5.37	-2
12-Month T-bill	5.36	-4

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	114	37	113	54
AA	195	119	198	150
A	384	309	389	344

Source: FIMMDA, as on 06 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	147.3	5.30
Triparty Repo	3,749.1	5.20
Market Repo	1,864.3	5.25
Repo in corporate bond	41.5	5.48

Source: RBI, as of 09 June, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,445	0.3
NIFTY	25,103	0.4
NASDAQ	19,591	0.3
S&P 500	6,006	0.1
Nikkei 225	38,089	0.9
Euro Stoxx 50	5,422	-0.2

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.3	1.2
Natural gas Nymex (USD/MMBtu)	3.6	-4.0
Gold Comex (USD/t oz.)	3,324.5	-0.7
Copper Comex (USD/lb)	487.5	0.5
Wheat cbot (USD/bu.)	539.5	-2.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.63	0.0
GBP/ INR	115.80	0.1
EUR/ INR	97.48	0.7
EUR/USD	1.14	-0.1
DXY Index	99.27	0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: SGS & VRR Auctions; **Global:** EIA STEO

Domestic

Union to review tax relief proposal on NPA interest (Source: ET): As per media sources, Union is reviewing a proposal from banks to exempt the interest earned on NPAs by amending the Income Tax law to align the definition of NPAs with that of RBI. It is also seeking increased deduction for NPA provisions.

Insurance premiums up in May'25 (Source: GIC, ET):

- Life insurance premia saw 13% y/y rise in May'25 despite drop in policies sold. Private insurers led the growth with 16.6% increase
- Non-life insurers premia grew by 6.5% y/y in May'25 driven by standalone insurers which rose by 9.9%. Premium of general insurers grew by 5.7%

RBI to discontinue daily VRR auctions (Source: RBI): RBI announced that it will be discontinuing the daily VRR auctions with effect from 11 Jun'25, due to the current and evolving liquidity conditions. Liquidity in the banking system stood at a surplus of Rs 2.45 trn as of 8 Jun'25.

Union sets agriculture tariff tiers for US (Source: BS): Union has categorised farm commodities into three distinct buckets of non-negotiable, sensitive, and liberal. It clarified that no tariff concession will be there for staples placed in non-negotiable bucket.

International

US and China meet for trade talks (Source: BBC): A new round of talks aimed at resolving the trade war between the US and China have started. Chinese exports of rare earths as well as China's access to US products, including computer chips, are expected to be high on the agenda. As per media source, POTUS has given US negotiators room to lift export controls on China.

Canada's statements on defence spending hint at a deal (Source: BBC): The PM said that Canada would significantly boost its defence spending to hit a NATO target of 2% of GDP (CY24: 1.4%) years earlier than planned. This is line with the plan to reduce dependence on US and reduce US's contribution to NATO, a demand of Mr. Trump.

Japan tries best to balance growth and inflation (Source: Reuters):

- Governor said BoJ has limited room to support growth with rate cuts, and there could be hikes if inflation moves towards 2%
- As per media sources, Japan is considering buying back some super-long government bonds issued in the past at low interest rates. The current bond tapering programme may be slowed in the next FY

Chinese car sales remain buoyant in May'25 (Source: Reuters): Car sales rose for a fourth consecutive month, surging 13.9% y/y to 1.96 mn vehicles. However, the pace of increase is lower than Apr'25. Sales of EV and hybrids rose 28.2%, with share of such vehicles at 52.1%, outpacing conventional fuel vehicles for the first month in CY25.

Our Recent Publications

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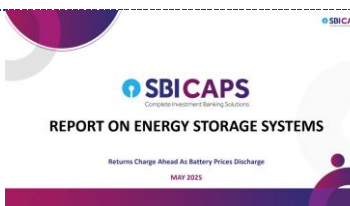
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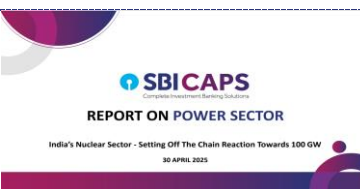
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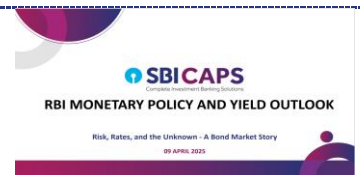
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