

12 June 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.39	-7
US 2Y*	3.92	-9
Germany 10Y	2.53	1
UK 10Y	4.55	1
Japan 10Y	1.44	-1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.00	4
6.33% GS 2035* (10Y)	6.31	1
6.92% GS 2039*	6.67	3
1-Month T-bill	5.27	-1
3-Month T-bill	5.36	-1
6-Month T-bill	5.42	1
12-Month T-bill	5.49	13

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	89	100	90	123
AA	170	182	175	211
A	359	372	366	405

Source: FIMMDA, as on 10 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	4.28

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	152.6	5.31
Triparty Repo	3,839.4	5.20
Market Repo	1,942.7	5.13
Repo in corporate bond	24.6	5.41

Source: RBI, as of 11 June, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,515	0.2
NIFTY	25,141	0.1
NASDAQ	19,616	-0.5
S&P 500	6,022	-0.3
Nikkei 225	38,421	0.6
Euro Stoxx 50	5,393	-0.4

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	69.4	4.0
Natural gas Nymex (USD/MMBtu)	3.5	-0.3
Gold Comex (USD/t oz.)	3,396.1	1.1
Copper Comex (USD/lb)	481.9	-1.2
Wheat cbot (USD/bu.)	533.8	-0.4

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.51	-0.1
GBP/ INR	115.96	0.5
EUR/ INR	98.29	0.7
EUR/USD	1.15	0.8
DXY Index	98.43	-0.7

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: CPI May'25; **US:** PPI May'25, Initial Jobless Claims

Domestic

Modular approach to trade deals being explored (Source: ET): The Commerce Minister indicated that the India-US deal could be heading for an early close by autumn of CY25. Further, the Swiss part of the EFTA will possibly be implemented from Oct'25. He added that India-Oman deal has made significant process, besides deals with Peru and Chile. NZ deal alone was on backburner due to bandwidth issues.

State borrowing norms to be tightened by the Union (Source: FE): As per media sources, a state's shortfall in contribution to guarantee redemption fund, unpaid electricity subsidy, borrowing by state PSUs, and unspent amounts in Central Schemes lying with it will now be considered to determine its borrowing limit.

RBI unveiling its full arsenal for monetary control (Source: ET): As per media sources, the Central Bank plans to use the CRR "more often" as a tool to manage liquidity and speed up transmission, moving away from the practice of deploying it only in times of extreme cash swings.

Union seeks to reduce time to build nuclear reactors (Source: Moneycontrol): As per media sources, the Union is looking to reduce the turnaround time for setting up nuclear plants from 13 years to 8 years. The processes that will be expedited under this include multiple clearances, field surveys, feasibility studies, and land acquisition.

International

US and China reach a breakthrough in trade (Source: BBC, The Guardian): Contours as announced by Mr. Trump include:

- China would supply magnets and rare earths upfront. Reports suggest that a 6-month easing rare-earth export licenses is done
- Chinese students will get access to US educational institutions
- China will face 55% tariffs, which comprises 10% baseline reciprocal tariff, 20% fentanyl tariff, and 25% pre-existing tariff
- 10% tariffs will be imposed on the US by China

US CPI surprises on the downside in May'25 (Source: US BLS): Consumer prices escalated by a lower than forecast 2.4% y/y, though above Apr'25 rate. Shrinking energy prices continued to help in reducing the bill, even as food prices showed fair increases. Core inflation printed 2.8%, with high shelter inflation remaining a pain point. Sequentially, CPI and core CPI both rose 0.1% m/m.

Deadlines for tariff talks could be extended (Source: Bloomberg):

- Mr. Trump and Mr. Bessent said they were open to extend trade talks beyond 8 Jul'25 in case countries were negotiating in good faith. Deal letters would be sent by the US to such countries
- As per media sources, EU officials believe talks with the US will extend beyond 9 Jul'25 as the bloc awaits a response from the US
- However, the POTUS said he will impose unilateral tariffs within two weeks

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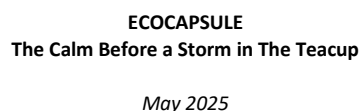
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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Siddharth Sarma
<u>Qualification</u>	PGDBA	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Associate

Details of Research Analyst entity

<u>Name</u>	SBI Capital Markets Limited
<u>Registration Number</u>	INH000007429
<u>Address</u>	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
<u>Telephone Number</u>	+91 22 4196 8300
<u>Compliance Officer</u>	Bhaskar Chakraborty
<u>Email id</u>	compliance.officer@sbicaps.com
<u>Telephone Number</u>	+91 22 4196 8542

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