

17 June 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.43	3
US 2Y*	3.94	-1
Germany 10Y	2.52	-1
UK 10Y	4.53	-2
Japan 10Y	1.44	4

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.97	-2
6.33% GS 2035* (10Y)	6.27	-3
6.92% GS 2039*	6.60	-6
1-Month T-bill	5.33	2
3-Month T-bill	5.37	3
6-Month T-bill	5.44	2
12-Month T-bill	5.50	2

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	71	60	46	59
AA	162	148	136	152
A	353	335	327	349

Source: FIMMDA, as on 13 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	157.2	5.30
Triparty Repo	3,988.6	5.22
Market Repo	2,012.1	5.16
Repo in corporate bond	17.5	5.52

Source: RBI, as of 16 June, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,796	0.8
NIFTY	24,947	0.9
NASDAQ	19,701	1.5
S&P 500	6,033	1.0
Nikkei 225	38,311	1.3
Euro Stoxx 50	5,340	0.9

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	73.6	-0.8
Natural gas Nymex (USD/MMBtu)	3.7	4.2
Gold Comex (USD/t oz.)	3,413.1	-1.1
Copper Comex (USD/lb)	485.7	-0.2
Wheat cbot (USD/bu.)	554.0	-0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	86.07	0.0
GBP/ INR	116.58	-0.2
EUR/ INR	99.10	-0.3
EUR/USD	1.16	0.0
DXY Index	98.22	0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: SGS Auction; **Japan:** Policy Rate; **US:** Retail Sales, Industrial Production May'25; **IEA:** Monthly Report

Domestic

Merchandise trade deficit narrows on-year in May'25 (Source: PIB):

- Merchandise exports declined by 2.2% y/y at USD 38.7 bn in May'25 while merchandise imports also decline by 1.7% to USD 61.0 bn
- Merchandise trade deficit narrowed to USD 21.9 bn in May'25, from USD 22.1 bn in May'24 despite the global policy uncertainty
- Services exports grew by 9.4% y/y to USD 32.4 bn, while imports grew at 1.5% to USD 17.1 bn, resulting in surplus of USD 15.2 bn
- Thereby, overall trade deficit was at USD 6.6 bn (May'24: 9.3 bn)

Wholesale inflation crashed further in May'25 (Source: PIB):

WPI clocked 0.39% y/y in May'25 (Apr'25: 0.85%), well below expectations of 0.80%. Both primary articles and fuel & power saw price decreases on year, while manufactured products eked out gain. Sequentially, WPI fell by 0.06% m/m (Apr'25: -0.39%).

Policy space to open up if inflation is below projections: RBI

Governor (Source: BS): In its Jun'25 review, the RBI had said that monetary policy is left with limited space to support growth. However, Mr. Malhotra reiterated that the RBI would continue to watch the incoming data on inflation and growth and take a call.

Draft directions on interest rate derivatives released (Source: RBI):

As per directions, a recognised stock exchange is permitted to offer standardised IRD products to participants using benchmarks provided by FBA and authorised by RBI. FPIs are permitted to buy/sell IRD provided their net long position doesn't exceed Rs. 50 bn and short position doesn't exceed the long position in G-Sec and IRDs. Increased reporting requirements are also in mix.

Government takes away right of states to tender NH projects

(Source: Mint): As per media sources, MoRTH has withdrawn the powers of state PWD and Road Construction Departments (RCD) to independently issue bid documents for NH in their states. Instead, they will now consult MoRTH RO's who will evaluate the bids. The new process is applicable to all highway's projects except maintenance.

Passenger vehicle wholesales marginally down in May'25 (Source: SIAM):

Total production across vehicle categories stood at 2.6 mn units, with domestic sales of PVs reaching 345k units down 0.8% y/y, though 2nd highest ever of May. 3W sales also showed a decline of 3.3%. 2W sales grew by 2.2% to 1.7 mn units.

International

US and UK announce a trade deal (Source: Reuters):

US signed an agreement lowering some tariffs on imports from UK as the countries continue working toward a trade deal. The deal reaffirmed quotas and tariff rates on UK automobiles and eliminated tariffs on UK aerospace sector, but issue of steel and aluminium remains unresolved.

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US engages nations in complex tariff negotiations (Source: Reuters):

- PM of Canada commented that he agreed with POTUS to wrap up a new economic and security deal within 30 days
- As per media sources, US and Japan could not reach a tariff agreement yet
- Commerce minister of Thailand expressed his confidence to negotiate the tariffs on good terms, possibly as low as 10%
- US is pushing Vietnam to reduce the use of Chinese tech in devices that are assembled before being re-exported to US

Japan keeps policy rate unchanged, reduce quantitative easing (Source: BoJ): The Central Bank elected to keep the uncollateralised overnight call rate at 0.5% by unanimous vote. By an 8-1 majority, the Bank decided to reduce the amount of its monthly outright purchases of JGBs such that it will be be ~JPY 2 trn in Jan-Mar'27.

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