

26 June 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.27	-3
US 2Y*	3.76	-6
Germany 10Y	2.56	2
UK 10Y	4.48	1
Japan 10Y	1.39	-1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.03	4
6.33% GS 2035* (10Y)	6.29	4
6.92% GS 2039*	6.65	4
1-Month T-bill	5.38	11
3-Month T-bill	5.39	9
6-Month T-bill	5.51	11
12-Month T-bill	5.55	8

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	101	101	92	62
AA	192	189	182	162
A	383	376	373	359

Source: FIMMDA, as on 24 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	4.30

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	167.8	5.29
Triparty Repo	4,090.4	5.25
Market Repo	1,800.4	4.94
Repo in corporate bond	17.9	5.49

Source: RBI, as of 25 June, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,756	0.9
NIFTY	25,245	0.8
NASDAQ	19,974	0.3
S&P 500	6,092	0.0
Nikkei 225	38,942	0.4
Euro Stoxx 50	5,252	-0.9

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.9	0.4
Natural gas Nymex (USD/MMBtu)	3.4	-5.0
Gold Comex (USD/t oz.)	3,354.0	0.4
Copper Comex (USD/lb)	500.5	1.2
Wheat cbot (USD/bu.)	545.3	-0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	86.09	0.1
GBP/ INR	117.74	0.6
EUR/ INR	100.38	0.5
EUR/USD	1.17	0.6
DXY Index	97.42	-0.5

Source: Morningstar, Bloomberg, Marketwatch

Key events

US: GDP Q1CY25, Jobless Claims, Pending Home Sales May'25

Domestic

The Central Bank banks on domestic resilience amidst global flux (Source: RBI): Highlights of the Monthly Bulletin for Jun'25:

- High frequency indicators for May'25 point towards fair economic activity in industry services. Financial conditions are conducive to facilitate effective transmission
- In Apr'25, net ECB to India rose to USD 2.8 bn from USD 0.5 bn in Apr'24. Gross ECB registrations however slowed down to USD 2.9 bn (Apr'24: USD 4.3 bn)
- Non-resident deposits in Apr'25 recorded inflows of USD 751 mn, down from USD 1.1 bn in Apr'24
- Net sale of USD 1.7 bn of foreign currency ensued in Apr'25, reversing trend from Mar'25. Outstanding net forward sales stand at USD 72.6 bn as RBI winds down its position

MoRTH Minister proclaims ambitious aims for the year (Source: BS):

Mr. Gadkari announced that he would be awarding projects worth Rs. 5 trn this year against Rs. 2.6-2.8 trn typically awarded each year. He claimed Rs. 1.5 trn has already been awarded. He added that the name Bharatmala will be removed, however the same projects, in addition to new ones would be awarded.

Finance Ministry could restore tax sops for corporates (Source: BS):

The Income Tax Bill 2025 is likely to be amended to restore the deductions for inter-corporate dividends for companies opting for the 22% concessional tax regime. This is to address concerns regarding double tax avoidance as per media reports.

PLI scheme in full swing as disbursements increase (Source: ET): The government has disbursed Rs. 215.3 bn under the PLI scheme to 12 sectors, which are Large-Scale Electronics Manufacturing, IT Hardware, Bulk Drugs, Medical Devices, Pharma, Telecom, Food Processing, White Goods, Automobiles, Specialty Steel, Textiles, and Drones.

International

NATO pledges to beef up military spending (Source: CNBC): The allies agreed to increase defence spending from 2% to 5% of GDP by CY35. They will be required to submit a credible annual plan to reach this goal with atleast 3.5% going to pure defence, with the remainder possibly allocated to critical infrastructure.

Countries strike up different deals with the US on trade (Source: The Hindu Businessline, Reuters):

- As per media sources, India has reserved the right to retaliate against tariffs on steel and aluminium at the WTO if the BTA does not address them
- Japan has said that 25% tariffs on autos were not acceptable, as declared by their negotiator Mr. Akazawa

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- Italy has accepted 10% tariffs as fait accompli and claims that it will have a minimum impact on their businesses, said Ms. Meloni

US Fed officials display different levels of firmness over inflation (Source: Reuters):

- Chair Mr. Powell said the Fed needs to manage against risk that tariff inflation proves persistent. He added that tariffs being a one-off impact were not a guarantee, and 2018 tariffs were not a guide to the present day
- Ms. Collins broadly agreed, advocating for an “actively patient” approach, while at the same time hinting that rate cuts later in CY25 remain a possibility

US extends debt ceiling measures (Source: Reuters): The Treasury extended the debt ceiling measures till 24 Jul’25 with Mr. Bessent urging Congress to act before the Aug’25 recess.

Global glut forcing China to take strong steps (Source: Forexlive): Chinese FM said that world economic recovery faces unprecedented challenges. Premier Mr. Li said the country would take forceful steps to boost consumption.

Thailand holds rates amidst global uncertainty (Source: WSJ, BoT): The Bank of Thailand voted 6-1 to maintain the policy rate at 1.75%, with the sole dissenter voting for a 25bps cut. The Bank predicted a slowing economy, however, posits that previous cuts give enough accommodation.

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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Soham Bobde
<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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