

10 July 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.33	-8
US 2Y*	3.85	-5
Germany 10Y	2.67	-1
UK 10Y	4.61	-2
Japan 10Y	1.49	1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.97	1
6.33% GS 2035* (10Y)	6.31	1
6.92% GS 2039*	6.66	1
1-Month T-bill	5.20	-4
3-Month T-bill	5.37	9
6-Month T-bill	5.52	12
12-Month T-bill	5.57	3

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	95	112	58	94
AA	189	201	149	187
A	378	386	338	384

Source: FIMMDA, as on 08 Jul, 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	8.90
SOFR	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	178.2	5.32
Triparty Repo	3,951.1	5.29
Market Repo	1,845.7	5.33
Repo in corporate bond	18.3	5.54

Source: RBI, as of 09 July, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	83,536	-0.2
NIFTY	25,476	-0.2
NASDAQ	20,611	0.9
S&P 500	6,263	0.6
Nikkei 225	39,821	0.3
Euro Stoxx 50	5,446	1.4

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	70.2	0.3
Natural gas Nymex (USD/MMBtu)	3.2	-3.3
Gold Comex (USD/t oz.)	3,327.8	0.4
Copper Comex (USD/lb)	561.7	1.2
Wheat cbot (USD/bu.)	542.8	-1.3

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.68	0.0
GBP/ INR	116.45	0.1
EUR/ INR	100.40	-0.1
EUR/USD	1.17	0.2
DXI Index	97.56	0.0

Source: Morningstar, Bloomberg, Marketwatch

Key events

S. Korea: Policy Rate; **US:** Jobless claims

Domestic

Mutual fund flows recover in Jun'25 (Source: CEIC): Net inflows into MFs clocked Rs. 490.9 bn in Jun'25. Equity oriented schemes recorded Rs. 235.9 bn, better sequentially though down on year. Debt oriented funds saw outflows of Rs. 17.1 bn, which is much slimmer than what was seen in Jun'24. Hybrid funds impressed, registering Rs. 232.2 bn of inflows.

FM stirs NBFCs to increase disbursement (Source: CNBC TV-18): Eschewing the name "shadow banks", Ms. Sitharaman set a bold target for NBFCs, encouraging them to disburse 50% of the credit currently handled by SCBs by 2047 (currently 24%). She added that 20% of NBFC lending should happen under the co-lending framework with banks. She also asked them to aim for 100% digital adoption.

Mandate for credit rating agencies (CRA) to be broadened (Source: FE, SEBI): SEBI proposed allowing CRAs to rate financial instruments regulated by other financial sector regulators (RBI, IRDAI, PFRDA, IFSCA, MCA, IBBI) as per a consultation paper. The scope includes unlisted securities.

New policy for rare earths in the works (Source: ET, FE): Ministries of Heavy Industries and Mines are working on a scheme to promote manufacturing of rare earth magnets and minerals. This scheme will be for PSUs and private sector both. The scheme could have an outlay of ~Rs. 13.5 bn with subsidy of 30-50% as per media sources.

International

Trade tensions rise as countries spar over tariffs (Source: Reuters):

- Mr. Trump imposed a 50% tariff on Brazil, against which the latter vowed revenge using its Economic Reciprocity Law
- Fresh tariff letters indicated that Algeria, Sri Lanka, and Iraq will get 30% tariffs, while Brunei, Libya, and Moldova will get 25%. Philippines was assigned 20%
- EU's Ms. von der Leyen said the bloc is ready for all scenarios even as a trade deal is being attempted. The purported deal is said to be similar to the one with UK except a 17% tariff on EU agrifoods
- Malaysia said they would not retaliate against US tariffs
- Thailand is preparing measures worth THB 40 mn to mitigate impact of US tariffs

US Fed remains a divided house on rate cuts (Source: Federal Reserve, CNBC): Minutes of Jun'25 FOMC showed:

- Most members saw some reduction in policy rate by CY25 would be appropriate as tariff induced inflation would be temporary and modest. Uncertainty about economy & inflation has decreased
- Participants differed on the number of cuts with a couple saying a cut could come in the next meet
- Several officials thought the current rate is not far from neutral

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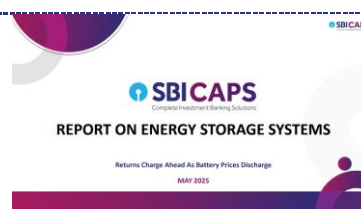


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