16 July 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.48	5
US 2Y*	3.94	4
Germany 10Y	2.71	-2
UK 10Y	4.62	2
Japan 10Y	1.58	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.75% GS 2029*	5.99	-1
6.33% GS 2035* (10Y)	6.31	-1
6.92% GS 2039*	6.65	0
1-Month T-bill	5.30	2
3-Month T-bill	5.34	-2
6-Month T-bill	5.50	8
12-Month T-bill	5.64	8

*Source: CCIL, Bloomberg, *semi-annual*

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	104	106	47	99
AA	198	195	138	192
A	387	380	327	389

Source: FIMMDA, as on 14 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	4.33

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	**Volume (in Rs. Bn)**	**Weighted Avg Rate (%)**
Call Money	162.5	5.38
Triparty Repo	3,950.8	5.30
Market Repo	1,925.4	5.37
Repo in corporate bond	23.1	5.49

Source: RBI, as of 15 July, 2025

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	82,571	0.4
NIFTY	25,196	0.5
NASDAQ	20,678	0.2
S&P 500	6,244	-0.4
Nikkei 225	39,678	0.6
Euro Stoxx 50	5,354	-0.3

Source: Google Finance

Commodities futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	69.0	0.0
Natural gas Nymex (USD/MMBtu)	3.5	2.3
Gold Comex (USD/t oz.)	3,336.3	-0.7
Copper Comex (USD/lb)	552.4	0.2
Wheat cbot (USD/bu.)	538.5	-0.9

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	85.82	-0.2
GBP/ INR	115.14	-0.3
EUR/ INR	99.73	-0.6
EUR/USD	1.16	-0.5
DXY Index	98.57	0.5

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: T-bill Auction; **UK:** CPI Jun'25; **US:** PPI Jun'25, Industrial Production Jun'25; **Eurozone:** Trade Balance May'25

Domestic

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

- Merchandise exports declined marginally by 0.1% y/y at USD 35.1 bn. Imports dipped more sharply by 3.7% to USD 56.0 bn. Accordingly, deficit narrowed to USD 18.8 bn (Jun'24: USD 21.0 bn)
- Services exports grew by 14.5% y/y to USD 32.8 bn, while imports rose at 16.1% to USD 15.6 bn, resulting in surplus of USD 15.3 bn
- Thereby, overall trade deficit for Jun'25 was at USD 3.5 bn (Jun'24: 7.3 bn) whereas for Q1FY26 trade deficit was USD 20.3 bn

RBI Governor leaves door open for potential rate cuts (Source: CNBC): Mr. Malhotra affirmed that the RBI is in a neutral stance, allowing for flexibility in rate decisions in both directions. He noted that if inflation forecasts and growth trend lower, rate cuts could be considered. RBI also expects the FY26 inflation to be below 3.7% y/y.

Insurers may get to put more in REITs and InvITs (Source: ET): IRDAI is proposing to double investment limits for insurers in REITs and InvITs to 6% of their fund size, aiming to channel more long-term capital. It is also considering allowing insurers to invest in gold ETFs under ULIPs, with a cap of 5% of a segregated fund's assets.

Passenger vehicle wholesales down in Jun'25 (Source: SIAM): Total production across vehicle categories stood at 2.4 mn units, with domestic sales of PVs reaching 313k units down 7.4% y/y. 2W sales also showed a decline of 3.4% to 1.6 mn units. 3W sales grew by 3.8%.

International

US consumer prices pick up in Jun'25 (Source: US BLS): CPI printed 2.7% y/y in Jun'25 suggesting start of tariff impact on inflation. While a decline in car prices helped keep a lid on the figure, goods categories exposed to levies such as appliances and toys rose at the faster pace. Notably, Core inflation printed 2.9% after rising by 2.8% for three straight months.

US unveils new tariffs on Indonesia, eyes big pharma hike (Source: Reuters, Bloomberg):

- Mr. Trump said that he would impose a 19% tariff on goods from Indonesia under a new agreement with the Southeast Asian country. He added that letters are their way to smaller nations
- Mr. Trump suggested he will also announce tariffs as high as 200% on pharmaceuticals imported into US by the end of the month

US Fed officials mull over rate cut (Source: Reuters):

- Ms. Logan said that Fed needs to keep interest rate modestly restrictive for some time to return inflation sustainably at 2% y/y
- Ms. Collins commented that she is in no rush to change the interest rate amid current economic uncertainty. She accepted that the tariff hit may be more modest

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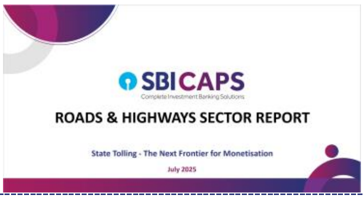

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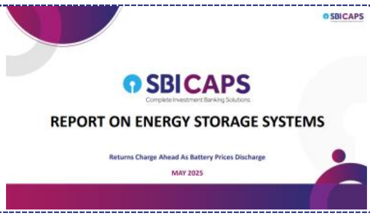

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