25 July 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.39	-1
US 2Y*	3.91	2
Germany 10Y	2.70	6
UK 10Y	4.62	-1
Japan 10Y	1.59	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.75% GS 2029*	5.99	2
6.33% GS 2035* (10Y)	6.33	2
6.92% GS 2039*	6.63	1
1-Month T-bill	5.27	-6
3-Month T-bill	5.35	-3
6-Month T-bill	5.49	-3
12-Month T-bill	5.53	-3

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	103	113	105	92
AA	208	204	197	184
A	400	391	387	379

Source: FIMMDA, as on 23 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	4.28

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	**Volume (in Rs. Bn)**	**Weighted Avg Rate (%)**
Call Money	159.7	5.54
Triparty Repo	4,109.3	5.44
Market Repo	1,791.9	5.53
Repo in corporate bond	23.5	5.68

Source: RBI, as of 24 July, 2025

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	82,184	-0.7
NIFTY	25,062	-0.6
NASDAQ	21,058	0.2
S&P 500	6,363	0.1
Nikkei 225	41,826	1.6
Euro Stoxx 50	5,355	0.2

Source: Google Finance

Commodities futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	69.5	1.1
Natural gas Nymex (USD/MMBtu)	3.1	0.3
Gold Comex (USD/t oz.)	3,421.3	1.1
Copper Comex (USD/lb)	580.0	-1.2
Wheat cbot (USD/bu.)	539.8	-0.7

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	86.41	0.0
GBP/ INR	116.80	-0.4
EUR/ INR	101.55	0.0
EUR/USD	1.17	-0.3
DXY Index	97.38	0.2

Source: Morningstar, Bloomberg, Marketwatch

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Key events

India: G-Sec Auction; **Japan:** CPI Jul'25; **UK:** Retail Sales Jun'25

Domestic

Union signs trade deal with UK (Source: BS): Union signs a free trade agreement with UK to enhance bilateral to USD 120 bn by CY30. The FTA will help in facilitating reduced tariffs on exports of labour-intensive goods including leather, footwear, and clothing, whilst reducing import duties on British whisky and automobiles. The government ensures that 99% exports from India would receive duty free access to British markets.

Union pushes back against EUs oversight proposal (Source: ET): Union opposes EU proposal regarding capital flows in FTA agreement talks. The proposal raised concern over limiting India's ability to act unilaterally during crises. Both sides aim to conclude the deal by end of CY25.

Oil Ministry looks to change regulatory structure for captive oil pipelines (Source: ET): The Ministry is planning to bring captive pipelines of the oil companies under the ambit of PGNRB. This will enable the latter to monitor these lines and eventually convert them into common carriers if needed.

Electronic Components Manufacturing Scheme sees a show of interest (Source: ET): As per media sources, investment proposals worth Rs. 160 bn have been garnered for the Rs. 228 bn scheme. The applicants include a mix of domestic and foreign players and shortlisted projects will be announced in Sep'25.

Localisation impetus leaves automakers high and dry (Source: BS): The Ministry of Heavy Industries, through its vehicle testing agencies instructed e-2W and e-3W manufacturers to formally declare that they have adequate rare earth magnet inventory and are producing traction motors and electronic throttles locally as per PM E-Drive.

International

Economic activity likely to recover in Jul'25 in advanced economies on services push (S&P Global): US flash composite scorched to a 7-month high of 54.6 in Jul'25 (Jun'24F: 52.9), while Eurozone flash composite PMI rose to 51.0 in Jul'25 - highest in 11 months. In both region services shone even as manufacturing was contracting.

Europe holds interest rates (Source: CNBC): The ECB held its key interest rate at 2% after 8 cuts since Jun'24. This comes amidst uncertainty fuelled by trade disputes even as inflation has fallen into benign territory. The pause is expected to hold even in Sep'25 policy.

Tense meeting between Mr. Trump and Mr. Powell ends amicably (Source: Reuters): After being fact checked on cost of building renovations by the Fed Chair, the POTUS said he would not fire Mr. Powell, though his term won't be extended beyond May'26. Mr. Trump continued to push for lower interest rates

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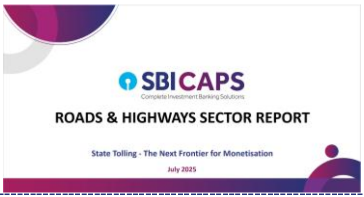

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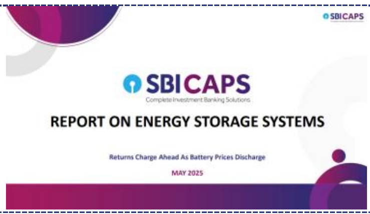

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