28 July 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.39	0
US 2Y*	3.92	1
Germany 10Y	2.71	1
UK 10Y	4.63	1
Japan 10Y	1.60	1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.75% GS 2029*	6.02	3
6.33% GS 2035* (10Y)	6.35	2
6.92% GS 2039*	6.66	2
1-Month T-bill	5.29	2
3-Month T-bill	5.35	0
6-Month T-bill	5.49	0
12-Month T-bill	5.54	1

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	96	108	97	58
AA	201	199	189	150
A	393	386	379	345

Source: FIMMDA, as on 24 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	4.30

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	**Volume (in Rs. Bn)**	**Weighted Avg Rate (%)**
Call Money	177.4	5.39
Triparty Repo	3,881.8	5.32
Market Repo	1,920.7	5.39
Repo in corporate bond	24.3	5.58

Source: RBI, as of 25 July, 2025

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	81,463	-0.9
NIFTY	24,837	-0.9
NASDAQ	21,108	0.2
S&P 500	6,389	0.4
Nikkei 225	41,456	-0.9
Euro Stoxx 50	5,352	-0.1

Source: Google Finance

Commodities futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	68.4	-1.5
Natural gas Nymex (USD/MMBtu)	3.1	0.3
Gold Comex (USD/t oz.)	3,337.3	-2.5
Copper Comex (USD/lb)	578.5	-0.3
Wheat cbot (USD/bu.)	538.3	-0.3

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	86.52	0.1
GBP/ INR	116.23	-0.5
EUR/ INR	101.58	0.0
EUR/USD	1.17	0.0
DXY Index	97.67	0.3

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: IIP Jun’25

Domestic

Rate cuts will depend on outlook, not current inflation: RBI Governor (Source: FE): Mr. Malhotra said that RBI will continue to prioritise price stability while supporting growth. He emphasised that, although inflation has eased, the battle isn’t over yet. He also signalled a cautious approach to further rate cuts.

Maintaining sustained growth top priority: FM (Source: ET): Ms. Sitharaman emphasized that maintaining sustained economic growth amid global uncertainties is a top priority, with increased public capital expenditure being a key driver. She added Union is also focused on attracting FDI through friendly policies and fostering healthy competition among states.

Further FDI growth targeted by DPIIT (Source: The Hindu Businessline): The Department has identified electronics, chemicals, footwear, and toys as key sectors with high potential where it seeks to boost FDI. The focus will be on making a supply chain needed for these industries. This is as per media sources.

Union signal openness to Chinese investments (Source: The Hindu Businessline): As per media sources, the Union is signalling greater openness to Chinese investment in electronics manufacturing, where 60% of the market is dominated by China.

International

US and EU sign historic trade deal (Source: BBC): POTUS announced a sweeping trade deal with EU that imposes 15% tariffs on most EU goods. Aircraft and plane parts, certain chemicals, and select agricultural products will attract no tariffs, with a separate deal on semiconductors likely to be announced soon. 50% tariff on steel and aluminium globally would stay in place. The deal would lead to EU boosting its investment in the US by USD 600 bn and spending USD 750 bn on energy.

Trade negotiations show progress with mixed news on extensions (Source: Bloomberg, Reuters, SCMP):

- Mr. Lutnick ruled out any extension to implement reciprocal tariffs on 1 Aug’25
- As per media sources, the US is set to extend tariff pause by another 90 days for China as both powers are very close to a deal. The temporary suspension of tariffs was set to expire on 12 Aug’25
- S. Korea is preparing a mutually beneficial trade package, with talks focussing on non-tariff barriers but not forex

Chinese industrial profits drop again (Source: Bloomberg): China’s industrial earnings fell for a second straight month and were down 4.3% y/y (shallower fall than forecast) in Jun’25. This took the decrease in H1CY25 to 1.8%.

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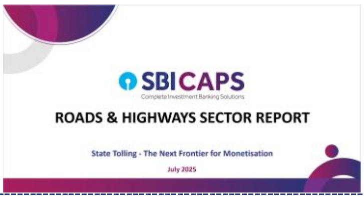

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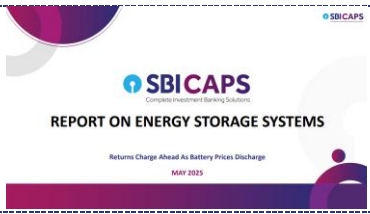

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Details of Research Analysts

Name	Rajan Jain	Name	Soham Bobde
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Associate

Details of Research Analyst entity

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

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