

3 July 2025

The Daily Digest

| Foreign G-Sec Bond Yield | | |
|--------------------------|--------------|-----------------|
| G-sec | Yield (in %) | 1D Change (bps) |
| US 10Y* | 4.26 | 1 |
| US 2Y* | 3.76 | -1 |
| Germany 10Y | 2.65 | 8 |
| UK 10Y | 4.61 | 16 |
| Japan 10Y | 1.43 | 4 |

Source: Bloomberg, *semi-annual

| G-sec yield | | |
|----------------------|--------------|-----------------|
| G- Sec | Yield (in %) | 1D Change (bps) |
| 6.75% GS 2029* | 5.95 | -1 |
| 6.33% GS 2035* (10Y) | 6.29 | 0 |
| 6.92% GS 2039* | 6.63 | -1 |
| 1-Month T-bill | 5.22 | -6 |
| 3-Month T-bill | 5.35 | 1 |
| 6-Month T-bill | 5.50 | 2 |
| 12-Month T-bill | 5.53 | 1 |

Source: CCIL, Bloomberg, *semi-annual

| Spreads in bps for Corporates | | | | |
|-------------------------------|--------|--------|--------|---------|
| Annualized Spreads | 3-year | 5-year | 7-year | 10-year |
| AAA | 103 | 117 | 72 | 95 |
| AA | 197 | 206 | 163 | 189 |
| A | 386 | 391 | 352 | 386 |

Source: FIMMDA, as on 01 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 | 4.44 |

Source: RBI, Federal Reserve Bank of New York

| Money Market instruments | | |
|--------------------------|--------------------|-----------------------|
| Instrument | Volume (in Rs. Bn) | Weighted Avg Rate (%) |
| Call Money | 169.2 | 5.27 |
| Triparty Repo | 4,292.4 | 5.14 |
| Market Repo | 1,894.5 | 5.20 |
| Repo in corporate bond | 18.8 | 5.44 |

Source: RBI, as of 02 July, 2025

| Major Equity Indices | | |
|----------------------|--------|---------------|
| Indices | Last | 1D Change (%) |
| BSE SENSEX | 83,410 | -0.3 |
| NIFTY | 25,453 | -0.3 |
| NASDAQ | 20,393 | 0.9 |
| S&P 500 | 6,227 | 0.5 |
| Nikkei 225 | 39,762 | -0.6 |
| Euro Stoxx 50 | 5,319 | 0.7 |

Source: Google Finance

| Commodities futures | | |
|-------------------------------|---------|---------------|
| Commodities | Last | 1D Change (%) |
| Brent Crude (USD/bbl) | 68.5 | 1.9 |
| Natural gas Nymex (USD/MMBtu) | 3.5 | 2.0 |
| Gold Comex (USD/t oz.) | 3,358.5 | 0.4 |
| Copper Comex (USD/lb) | 517.8 | 1.5 |
| Wheat cbot (USD/bu.) | 563.3 | 2.7 |

Source: Bloomberg

| Exchange Rates | | |
|----------------|--------|---------------|
| Currency pair | Rate | 1D Change (%) |
| USD/ INR | 85.71 | 0.2 |
| GBP/ INR | 116.68 | -0.9 |
| EUR/ INR | 100.93 | 0.0 |
| EUR/USD | 1.18 | 0.0 |
| DX Index | 96.78 | 0.0 |

Source: Morningstar, Bloomberg, Marketwatch

Key events

US: Non-farm Payrolls Jun'25, Factory Orders May'25, Jobless Claims; **Services PMI Jun'25:** India, US, China, Eurozone

Domestic

RBI panel likely to stay unmoved on policy framework (Source: The Hindu Businessline): An internal committee of the Central Bank is in favour of retaining 4% as the inflation target with a tolerance band of 2-6%. The panel is also likely to recommend continuing the usage of CPI instead of CPI (ex. food) as the benchmark. The Report is likely to be ready by Sep'25 with the current framework in operation till Mar'26. This is as per media sources.

Prepayment to be made easier for small loans (Source: RBI): As per the directions issued, for all floating rate loans granted to individuals for non-business purposes, no prepayment charge may be levied. For individual and MSE business loans, commercial banks (excluding SFB, RRB, LAB), Tier-4 co-operative banks, NBFC-UL, and AIFI shall not levy prepayment charges. SFB, RRB, Tier-3 Primary UCB, SCB, CCB, and NBFC-ML may levy charges only if sanctioned amount > Rs. 5 mn.

Railway freight tariff muted in Q1 (Source: ET): Loading reached 413 mn tonnes, up just 2% y/y. This was due to moderation in the loading of coal, cement, and fertiliser. Double-digit growth was noted in pig iron and finished steel, foodgrain, and containers.

New oil reserve in the works (Source: ET): The country is exploring three new strategic oil reserves, with a 5.2-5.3 mn tonne reserve in Bikaner, 1.75 mn tonne facility in Mangalore, and one in Bina. They will come in addition to 6.5 mn tonnes of approved facilities.

Captive coal production reaches new heights in Q1 (Source: PIB): Production from captive mines reached 46.0 mn tonnes (up 16.4%), while despatches clocked 51.6 tonnes (up 13.0%). Notably, in Jun'25, 15.6 mn tonnes were produced and 17.3 mn tonnes were delivered.

International

East Asian services expansionary in Jun'25 (Source: S&P Global):

- China's Caixin services PMI posted 50.6 in Jun'25, down from May'25 due to moderation in new business growth. Composite PMI jumped into expansion clocking 51.3, well above 49.6 in May'25
- Japanese services PMI ticked 51.7 in Jun'25 helped by transport and storage activity. Composite PMI became more expansionary at 51.5

US and Vietnam sign a trade deal (Source: IE): The POTUS said that Vietnam would pay a 20% tariff on all goods exported to the US and 40% on trans-shipped goods. In return, the American products will be sold in Vietnam at zero tariff.

Private payrolls deal a shocker in the US (Source: CNBC): The US private sector lost 33k jobs in Jun'25, badly missing expectations of a 100k increase as per the ADP. May'25's figure was also revised downwards. Job losses in services overwhelmed gains in manufacturing roles, with small businesses bleeding people.

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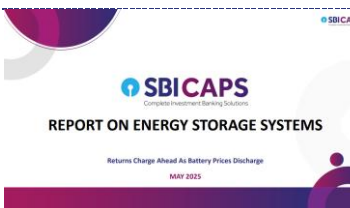


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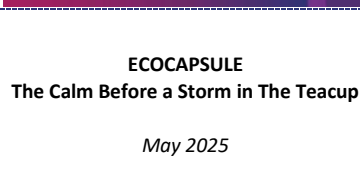
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