

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.35	2
US 2Y*	3.92	5
Germany 10Y	2.70	-1
UK 10Y	4.60	-3
Japan 10Y	1.55	0

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.03	0
6.33% GS 2035* (10Y)	6.37	1
6.92% GS 2039*	6.70	1
1-Month T-bill	5.35	4
3-Month T-bill	5.40	3
6-Month T-bill	5.52	4
12-Month T-bill	5.56	5

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	101	97	73	105
AA	206	188	166	197
A	398	375	356	392

Source: FIMMDA, as on 29 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	4.36

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	200.9	5.37
Triparty Repo	3,974.5	5.33
Market Repo	1,754.9	5.35
Repo in corporate bond	26.2	5.49

Source: RBI, as of 30 July, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,482	0.2
NIFTY	24,855	0.1
NASDAQ	21,130	0.1
S&P 500	6,363	-0.1
Nikkei 225	40,655	0.0
Euro Stoxx 50	5,393	0.3

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	73.1	0.6
Natural gas Nymex (USD/MMBtu)	3.0	-2.6
Gold Comex (USD/t oz.)	3,346.4	0.8
Copper Comex (USD/lb)	444.1	-21.9
Wheat cbot (USD/bu.)	524.8	-0.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.43	0.7
GBP/ INR	116.13	-0.2
EUR/ INR	100.02	-0.6
EUR/USD	1.14	-1.2
DXY Index	99.82	1.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: Fiscal Balance Jun'25, Deployment of Bank Credit Jun'25, VRRR Auction; **US:** PCE Jun'25, Initial Jobless Claims; **China:** Official PMI Jul'25; **Policy Rate:** Japan, S. Africa, Colombia; **Germany:** CPI Jul'25

Domestic

POTUS pummels India with severe tariffs (Source: Truth Social): As per Mr. Trump, India must now pay 25% in tariffs from 1 Aug'25. Additionally, he slapped an additional penalty (yet unspecified) for buying military equipment and oil from Russia. India retains concessions on electronics exports. However, both sides said talks were still on and more clarity will be reached by the end of the week.

Solar cell capacity to see a boost, become precursor to ALMM (Source: FE): Solar cell manufacturing capacity could reach 42 GW by Jun'26, up from 27 GW presently. Consequently, ALMM-II for solar cells will be published in a few days. A similar list for wafers and polysilicon is also in the works and likely to see the light of day in the next 2.5-3 years.

A new liquidity framework may be in the offing (Source: NDTV Profit): Media sources hazard that the RBI could announce a revised liquidity management framework in the Aug'25 MPC. The rubric is likely to operationalise the 7-day VRR (instead of 14-day) as the main liquidity tool and reintroduce a fixed-rate repo window worth 1% of banks' NDTL. Further, a new market benchmark called the SORR based on the TREPS market could be launched.

International

US Fed policy remains unchanged in a contentious vote (Source: US Federal Reserve, CNBC): As widely anticipated, the benchmark rate was kept in the range of 4.25%-4.50%. In a first since CY93, multiple governors (Mr. Waller and Ms. Bowman) cast dissenting votes and wanted a cut. Mr. Powell said a moderately restrictive policy still seems appropriate and said no clarity is available on Sep'25 policy.

US GDP shines in Q2CY25 (Source: BEA): An advance estimate of the GDP inked a rise of 3% q/q saar, well above 2.5% expected, and reversing the contraction seen in Q1. The boost was on decreased imports met with increased consumer spending. Notably, investments declined sharply. Nominal GDP growth stood at 5%.

Tariff blitz heats up near the deadline (Source: NBC, CBS, Reuters):

- Brazil will now face a 90% tariff, up from 50% announced earlier due to legal action against former President Mr. Bolsonaro. Hearteningly, key sectors like aircraft and energy are left out
- S. Korea got 15% tariffs, with tariff free access to US goods like cars and agriculture. It will have to make USD 350 bn in US directed investments and USD 100 bn in LNG purchases
- An exemption extended to small value imports (<USD 500) has been revoked. Such goods will face tariffs from 29 Aug'25
- A 50% tariff was imposed on semi-finished copper products with refined metal imports remaining exempt. This led to the largest fall in history for copper prices

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Europe ekes out growth in Q2CY25 (Source: Eurostat): The euro area expanded by 1.4% y/y, better than forecast 1.2%, though not as fast as last quarter. Leading the way were Ireland and Spain, Germany posted a measly 0.4% growth while France did a shade better at 0.7%. Notably, even as the area showed flattish growth q/q on a seasonally adjusted basis, Germany and Italy contracted.

Japan keeps interest rate steady on economic fortitude (Source: BoJ): The uncollateralised overnight call rate will be encouraged to remain around 0.5% - this was decided by a unanimous vote. Real GDP growth forecast for FY25 (ending 31 Mar'26) was bumped up by 0.1pp from the last forecast to 0.6% y/y, with numbers for subsequent fiscals unchanged. Inflation estimates soared, with the reference core core inflation up 0.5pp to 2.8% y/y.

Chinese manufacturing remains in contraction in Jul'25 (Source: Xinhua): The official manufacturing PMI clocked 49.3 in Jul'25, down 0.4pp since last month. This is the fourth month of contraction. Non-manufacturing PMI remained above water, clocking 50.1, also 0.4pp below last month.

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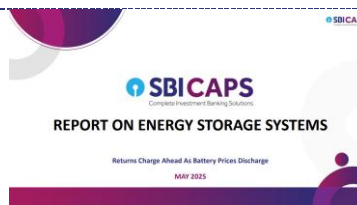


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