

7 July 2025

# The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.35	0
US 2Y*	3.88	13
Germany 10Y	2.60	-1
UK 10Y	4.55	1
Japan 10Y	1.42	-2

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	5.95	0
6.33% GS 2035* (10Y)	6.29	1
6.92% GS 2039*	6.64	0
1-Month T-bill	5.29	10
3-Month T-bill	5.30	-3
6-Month T-bill	5.45	0
12-Month T-bill	5.53	0

Source: CCIL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	99	96	67	95
AA	193	185	158	189
A	382	370	347	386

Source: FIMMDA, as on 03 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	4.40

Source: RBI, Federal Reserve Bank of New York

Money Market instruments (Term segment)		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	152.2	5.29
Term money	4.5	-
Triparty Repo	4,185.6	5.18
Market Repo	1,988.6	5.24
Repo in corporate bond	0.0	NA

Source: RBI, as of 04 July, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	83,433	0.2
NIFTY	25,461	0.2
NASDAQ	20,601	0.0
S&P 500	6,279	0.0
Nikkei 225	39,811	0.1
Euro Stoxx 50	5,289	-1.0

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	68.3	-0.3
Natural gas Nymex (USD/MMBtu)	3.4	-0.6
Gold Comex (USD/t oz.)	3,346.5	0.3
Copper Comex (USD/lb)	506.3	-0.9
Wheat cbot (USD/bu.)	556.8	0.0

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	85.39	0.1
GBP/ INR	115.71	-0.8
EUR/ INR	100.56	0.1
EUR/USD	1.18	0.1
DX Index	96.99	-0.2

Source: Morningstar, Bloomberg, Marketwatch

## Key events

**Eurozone: Retail Sales May'25**

## Domestic

### Union likely to finalise mini trade deal before 9 Jul'25 deadline

(Source: FE, ET): As per media sources, India and US are expected to sign a mini trade deal within 2 days. The two sides have completed negotiations on the limited-scope agreement, and average tariffs in this deal are expected to be 10%.

**New nuclear model to focus on private role (Source: ET):** As per media sources, the Union is preparing to introduce significant amendments to nuclear power laws, potentially allowing private sector involvement in key areas like atomic mineral exploration, mining, and fuel fabrication. These changes aim to reshape the nuclear power ecosystem, currently dominated by the DAE.

### PNGRB approves reforms to natural gas pipeline tariff regulations

(Source: CNBC): Benefit of the lower unified tariff under Zone 1 will now be extended nationwide to both CNG and PNG segments, including for use in domestic households. Further, the number of unified tariff zones has been reduced from 3 to 2. Pipeline operators now required to procure at least 75% of their system-use gas through long-term contracts of three years or more

**Union unveils vision for green mobility (source: ET):** MoRTH Minister said that pilot projects for Metrino pod taxis, hyperloop transport, and elevated pillar-based networks are being planned for Delhi and Bangalore. He added 11 companies have agreed to manufacture flex-fuel vehicles which will run on ethanol/methanol blends.

## International

### Tariffs likely to make a comeback on 1 Aug'25 (Source: The Guardian):

Mr. Bessent commented that the higher tariffs would take affect from 1 Aug'25 indicating a three-week reprieve. He added that he expects most country to have a deal or letters sent by 9 Jul'25. Mr. Trump said he had signed letters to 12 countries outlining his wishlist.

### Tariff negotiations with the US show differential success (Source: Reuters, Bloomberg):

- The EU has failed to achieve a breakthrough in trade negotiations with US and may now seek to extend the status quo
- Japan said that it intends to continue actively coordinating with the US, as it worked to avert higher tariffs
- Australia said it expects 10% US baseline tariffs to stay yet it will continue to negotiate for exemption
- Canada has discussed offering financial support to large aluminium producers if 50% tariff on imports of the metal persist
- Indonesia has offered to cut duties on key imports to near zero and to buy USD 500 mn worth of US wheat as tariff negotiation
- Thailand is pushing for a best-case rate of 10% tariff even as it added that even a range of 10% to 20% would be acceptable

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**BRICS set to condemn coercive tariffs, eliciting harsh response from the POTUS (Source: ET, Bloomberg):** BRICS leaders are set to challenge imposition of unilateral coercive measures that are contrary to international law. In response, Mr. Trump threatened with 10% extra tariffs on countries aligning with BRICS.

**China plans to promote expansion of service industry and rural economy (Source: Forexlive):** China released a plan outlining 14 specific tasks to promote the quality and expansion of the country's domestic service industry and help promote rural revitalisation.

**OPEC+ opens oil tap wider earlier than planned (Source: Bloomberg):** OPEC+ will raise oil production faster than earlier planned in Aug'25, with eight key alliance members agreeing to increase output by 548 kbpd. This is higher than the 411 kbpd hikes announced for May, June and July, which were already triple the initial plan.

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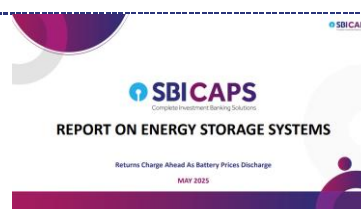


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