

01 August 2025

# The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.38	3
US 2Y*	3.95	3
Germany 10Y	2.69	-1
UK 10Y	4.57	-3
Japan 10Y	1.54	-1

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.02	0
6.33% GS 2035* (10Y)	6.37	0
6.92% GS 2039*	6.70	0
1-Month T-bill	5.34	-1
3-Month T-bill	5.39	-1
6-Month T-bill	5.50	-2
12-Month T-bill	5.56	0

Source: CCLL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	113	98	73	98
AA	218	189	165	190
A	410	376	355	385

Source: FIMMDA, as on 30 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	8.75
SOFR	4.32

Source: RBI, Federal Reserve Bank of New York

Money Market Instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	180.1	5.49
Triparty Repo	3,984.3	5.43
Market Repo	1,838.3	5.45
Repo in corporate bond	26.7	5.58

Source: RBI, as of 31 July, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,185	-0.4
NIFTY	24,768	-0.4
NASDAQ	21,122	0.0
S&P 500	6,339	-0.4
Nikkei 225	41,069	1.0
Euro Stoxx 50	5,320	-1.4

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	72.5	-0.8
Natural gas Nymex (USD/MMBtu)	3.1	3.3
Gold Comex (USD/t oz.)	3,341.4	-0.1
Copper Comex (USD/lb)	441.5	-0.6
Wheat cbot (USD/bu.)	523.5	-0.2

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.60	0.2
GBP/ INR	115.70	-0.4
EUR/ INR	99.99	0.0
EUR/USD	1.14	-0.1
DXY Index	99.97	0.2

Source: Morningstar, Bloomberg, Marketwatch

## Key events

**India:** G-Sec Auction; **US:** Non-farm Payrolls Jul'25; **Eurozone:** CPI Jul'25; **Manufacturing PMI Jul'25:** India, US, Eurozone

## Domestic

**Union fiscal consolidation progresses strongly in Q1FY26 (Source: CGA):** Fiscal deficit rose 8.4% y/y to Rs. 2.8 trn, at 17.9% of FY26BE. Revenue receipts rose 27% y/y to Rs. 9.1 trn at 27% of FY26BE, driven by 51% y/y rise in non-tax revenues augmented by RBI dividends. Total expenditure rose 20% y/y to Rs. 12.2 trn at 24% of FY26BE. Notably, capex rose 16.3% y/y to Rs. 2.8 trn in Q1FY26.

**Union officials double on domestic commitments amidst US tariffs (Source: BS):** According to media sources, Union officials acknowledged that US levy of 25% was a surprise but asserted intentions of not budging on strategic ties and agricultural interests, while avoiding any retaliations and working on cooperative efforts.

**ALMM-II issued for solar cell manufacturers (Source: MNRE):** Total enlisted capacity stands at 13.1 GW, split amongst 9 units of 6 manufacturers. Most of the manufacturers have chosen to manufacture bifacial cells, with PERC technology dominating.

**Credit growth shows revival pangs in Jun'25 (Source: RBI):**

- Non-food credit growth stood at 9.3% y/y in Jun'25 (May: 8.8% y/y), driven by broad based revival across segments.
- Industry credit grew 5.5% y/y driven by MSME like wood and rubber. Services credit grew 9% y/y and personal loans by 12% y/y
- WALR O/S dropped 19 bps to 9.48%, driven by 58 bps drop in WALR fresh to 8.62% in Jun'25. WADTDR O/S dropped 8bps to 6.99% due to 36 bps drop in WADTDR fresh to 5.75% in Jun'25
- MCLR dropped 15 bps m/m to 8.75% in Jul'25

**Above normal rainfall expected in Q2FY26 (Source: BS):** Rainfall received in Jul'25 rose 6% y/y to 474.3mm. According to the IMD, rainfall is expected to clock in 422.8 mm in Q2FY26, at 106% of LPA.

## International

**US announces series of levies on nations (Source: Reuters):**

- POTUS announced sweeping tariffs on 60 countries ranging between 15% - 50%, with effect from 7 Aug'25. Notably, Canada is hit with 35% levy (prev: 25%), Taiwan is subject to 20% duties, while that on Brazil stands at 50%. India is at 25%
- Mr. Trump exempted Mexico from tariff hikes for a 90-day negotiation period as Mexico agreed to reduce non-tariff barriers
- US Treasury Secretary Mr. Bessent is confident of deals with China and South Korea, but is uncertain of progress on deal with India

**US inflation stokes on hint of tariffs (Source: Reuters):** US PCE rose 2.6% y/y in Jun'25 (May: 2.4%), driven by 17.5% rise in healthcare and 16.3% rise in housing. Notably, core inflation rose 2.8% in Jun'25, same clip as May'25.

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## Manufacturing activity in Asia is a mixed bag (Source: S&P Global):

- China manufacturing PMI rose to 50.4 in Jul'25, from 48.3 in Jun'25, with revival in demand and trade boosting outputs
- Japan manufacturing PMI slumped to 48.9 in Jul'25, from 50.1 in Jun'25, with modest fall in new orders and export

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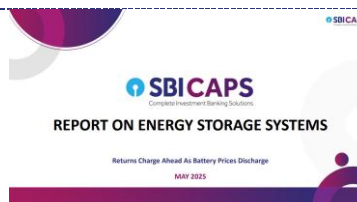


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