

12 August 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.28	0
US 2Y*	3.77	1
Germany 10Y	2.69	0
UK 10Y	4.56	-4
Japan 10Y	1.48	0

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.75% GS 2029*	6.13	4
6.33% GS 2035* (10Y)	6.44	3
6.68% GS 2040*	6.83	3
1-Month T-bill	5.40	0
3-Month T-bill	5.44	1
6-Month T-bill	5.51	2
12-Month T-bill	5.51	-10

Source: CCLIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	94	91	83	100
AA	204	189	178	191
A	386	376	370	392

Source: FIMMDA, as on 08 Aug, 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	4.35

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	169.1	5.36
Triparty Repo	3,871.6	5.35
Market Repo	2,029.2	5.19
Repo in corporate bond	28.9	5.51

Source: RBI, as of 11 August, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	80,604	0.9
NIFTY	24,585	0.9
NASDAQ	21,385	-0.3
S&P 500	6,373	-0.2
Nikkei 225	41,820	0.0
Euro Stoxx 50	5,332	-0.3

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	66.7	0.8
Natural gas Nymex (USD/MMBtu)	3.0	2.1
Gold Comex (USD/t oz.)	3,402.6	-1.0
Copper Comex (USD/lb)	446.4	-0.3
Wheat cbot (USD/bu.)	512.5	-0.6

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.66	0.2
GBP/ INR	117.81	0.1
EUR/ INR	101.85	1.0
EUR/USD	1.16	-0.4
DXY Index	98.52	0.4

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: CPI Jul'25, SGS Auction; **US:** CPI Jul'25; **World:** OPEC Report, WASDE Report, EIA STEO; **Australia:** Policy Rate

Domestic

Equity MF inflows strong in Jul'25, debt MFs recover (Source: AMFI, CEIC): Open ended debt funds saw inflows of over Rs. 1 trn, down 11% y/y. Fair flows were seen in liquid and money market funds as ample liquidity was in the market. Equity funds saw a handsome 15% rise to Rs. 427 bn in the same month. Sectoral/thematic funds saw good traction for the first time since Jan'25, with small cap funds doing well.

Debt support to tariff impacted firms likely (Source: Reuters): As per media sources, the government is planning to provide 10-15% credit guarantees to banks for advancing loans to stressed small businesses, with turnover up to Rs. 5 bn, that are SMA but not NPA. An outlay of Rs. 40 bn for guarantees is proposed. A separate scheme to provide term loans to small exporters backed by 70-75% government guarantee is also in the works.

Country turns net exporter of steel after two years (Source: The Hindu Businessline): As per media sources, the country exported 1.7 mn tonnes of steel in 4MFY26, as against imports of 1.67 mn tonnes. Non-alloyed imports (covered by safeguard duty) saw a 44% y/y drop, with exports rising 4%.

New Income Tax Bill passed in the Lower House of Parliament (Source: FE): Key proposals include:

- LLPs not claiming any deductions will not attract 18.5% alternate minimum tax on long-term capital gains (LTCG)
- Saudi Arabia's Sovereign Wealth Fund (PIF) and its subsidiaries are specifically mentioned for tax exemption on dividends, interest, and LTCG on investments in infrastructure assets

International

US-China extend peace, deferring surge in duties (Source: Reuters): The tariff truce has been extended by 90 days through an executive order issued by the US, met with an order from the Chinese Commerce Ministry. It locks in place a 30% tariff on Chinese imports, with Chinese duties on U.S. imports at 10%

Major countries continue the tariff tussle with US (Source: Reuters):

- As per media quoting lawmakers making reference to a briefing by a Parliamentary Panel on Foreign Affairs, India hopes trade talks will continue despite 50% tariffs
- Taiwanese Vice Premier said the island nation seeks a better and more reasonable tariff from the US

China to offer stimulus to support domestic economy (Source: Forexlive): As per media sources, on 13 Aug'25, officials are likely to outline eligibility criteria for subsidised loans in a bid to revive personal consumption and services. They would also announced lending terms and the scope of sectors covered in the package.

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Details of Research Analysts

<u>Name</u>	Rajan Jain	<u>Name</u>	Siddharth Sarma
<u>Qualification</u>	PGDBA	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Associate

Details of Research Analyst entity

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

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