20 August 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.29	-2
US 2Y*	3.75	-1
Germany 10Y	2.72	-3
UK 10Y	4.67	-7
Japan 10Y	1.59	1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 20230*	6.26	-3
6.33% GS 2035* (10Y)	6.50	-2
6.68% GS 2040*	6.88	-1
1-Month T-bill	5.40	-1
3-Month T-bill	5.48	1
6-Month T-bill	5.56	2
12-Month T-bill	5.59	3

*Source: CCIL, Bloomberg, *semi-annual*

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	105	50	76	71
AA	204	152	174	163
A	397	339	367	364

Source: FIMMDA, as on 19 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	4.33

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	167.0	5.47
Triparty Repo	4,003.2	5.40
Market Repo	1,989.7	4.96
Repo in corporate bond	33.2	5.56

Source: RBI, as of 20 August, 2025

Major Equity Indices		
Indices	Last	
BSE SENSEX	81,858	0.3
NIFTY	25,051	0.3
NASDAQ	21,173	-0.7
S&P 500	6,396	-0.2
Nikkei 225	42,889	-1.5
Euro Stoxx 50	5,472	-0.2

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.1	1.8
Natural gas Nymex (USD/MMBtu)	2.8	0.0
Gold Comex (USD/t oz.)	3,386.6	0.9
Copper Comex (USD/lb)	450.7	0.2
Wheat cbot (USD/bu.)	529.3	1.6

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.07	0.1
GBP/ INR	117.05	-0.2
EUR/ INR	101.26	0.1
EUR/USD	1.16	0.4
DXY Index	98.28	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

Flash PMI Aug'25: India, US, Eurozone, Japan; **US:** Initial Jobless Claims, Existing Home Sales Jul'25;

Domestic

MPC remains vigilant on tariff situation amidst mixed growth signals: MPC Minutes: Highlights: (Source: RBI):

- Governor Mr. Malhotra flagged rising risks of tariff restraining growth, while supporting status quo as policy transmission continues
- Dr Kumar acknowledged benign inflation outlook and warned against trade policy uncertainty amidst weak private investments
- Dr Ranjan, Dr. Gupta and Prof. Singh concurred that rising core inflation, global trade headwinds and incomplete transmission warranted a data dependant approach to monetary policy.
- Mr. Bhattacharya observed sustained credit demand while being concerned by falling deposits rates, as transmission gets underway

Eight core industries eke out growth in Jul'25 (Source: PIB): Eight core index rose 2% y/y in Jul'25 (Jun: 2.2% y/y), driven by strong rise of 11.7% y/y in cements and 12.8% y/y growth in steel, which was aided by safeguard duties. Further, coal contracted 12.3% y/y while petroleum sectors slowed and fertilisers rose in line with headline.

Union makes trade inroads into Eurasia (Source: PIB): Union has signed Terms of Reference for FTA with Eurasian Economic Union consisting of Russia, Armenia, Belarus, Kazakhstan and Kyrgyz Republic, to expand market access across geographies.

International

US Fed officials seek tariff clarity before making rate moves: FOMC Minutes: Highlights: (Source: US FOMC):

- Participants advocated to hold rates, demanding more clarity on magnitude and persistence of tariffs on inflation before cutting rates
- Majority noted that upside risks to inflation outweigh the downside risks on employment, advocating for moderately restrictive policy
- Several participants noted low, stable unemployment as positive, while growth is expected to remain subdued in H2CY25
- Participants noted that current rates are not much above the neutral levels, with 2 dissenters not garnering much support

Economic activity in Japan signals recovery (Source: S&P Global): Japan's flash manufacturing PMI rose to 49.9 in Aug'25 (Jul: 48.9), still contractionary as tariffs weigh on overseas demand. Flash services PMI fell to 52.7 in Aug'25 (Jul: 53.5), taking the composite PMI to 51.9 in Aug'25 (Jul: 51.5), buoyed by modest manufacturing recovery

Indonesia steps up monetary support for economic growth (Source: Bloomberg): The Bank Indonesia cut its benchmark rate by 25 bps to 5%, its 5th such move since Sep'24, to support the economy and markets against backdrop of global uncertainties, despite sliding IDR.

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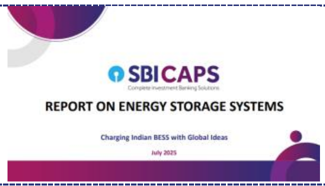

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Details of Research Analysts

Name	Rajan Jain	Name	Soham Bobde
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Associate

Details of Research Analyst entity

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

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