26 August 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.29	2
US 2Y*	3.71	0
Germany 10Y	2.75	3
UK 10Y	4.69	0
Japan 10Y	1.61	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.32	2
6.33% GS 2035* (10Y)	6.60	5
6.68% GS 2040*	6.93	1
1-Month T-bill	5.50	4
3-Month T-bill	5.48	2
6-Month T-bill	5.57	1
12-Month T-bill	5.59	0

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	92	82	82	82
AA	191	184	180	175
A	384	371	373	376

Source: FIMMDA, as on 22 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	4.36

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	183.13	5.45
Triparty Repo	4,369.1	5.39
Market Repo	2,116.0	5.39
Repo in corporate bond	36.1	5.60

Source: RBI, as of 25 August, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,635	0.4
NIFTY	24,967	0.4
NASDAQ	21,449	-0.2
S&P 500	6,439	-0.4
Nikkei 225	42,354	-0.7
Euro Stoxx 50	5,443	-0.8

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	68.5	1.1
Natural gas Nymex (USD/MMBtu)	2.7	-0.4
Gold Comex (USD/t oz.)	3,418.6	0.0
Copper Comex (USD/lb)	454.9	0.5
Wheat cbot (USD/bu.)	528.0	-0.4

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.72	0.4
GBP/ INR	118.00	0.0
EUR/ INR	101.94	1.5
EUR/USD	1.16	-0.6
DXY Index	98.38	0.5

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: SGS Auction; **US:** Durable Goods Orders Jul'25;

Domestic

RBI Governor elaborates on policy deliberations to build economic momentum in industry meeting: Highlights: (Source: RBI):

- Mr. Malhotra interjected that RBI has not lost sight of objective of growth as primary objective of price stability remains satisfied
- He sees minimal tariff impact on domestic economy, while urging banks and corporates to create a virtuous investment cycle together
- He further emphasized on right balance in regulation making that ensures financial stability, while not hindering any growth prospects
- A pipeline of changes underpins this approach including implementation of Basel 3 norms for different risks, ECL guidelines, rationalizing macro-policies and reducing cost of intermediation

Fitch affirms sovereign rating, flags concerns (Source: Fitch): Fitch has affirmed its rating of "BBB –" on India, with a stable outlook, citing robust growth aided by Union capex and consumption, with solid external finances. Further however, government debt is seen rising faster than a muted GDP growth marred by tariffs, while GST reforms are seen as potentially revenue negative, despite supporting growth

PM assures support to key sectors, despite US tariff threats (Source: Mint): PM Mr. Modi underlined that Union will not compromise on interests of farmers and MSMEs, while advocating for purchase of "swadeshi" goods, as 50% US tariff deadline approaches.

White House issues draft notice for doubling levies on Indian goods (Source: Bloomberg): According to media sources, White House has released a draft notice, laying out plans to impose 50% tariff on Indian goods used for consumption, wef 27th Aug'25.

International

POTUS raises the tariff ante with slew of new threats (Source: WSJ):

- POTUS Mr. Trump threatened to impose substantial tariffs on countries that impose digital taxes on US firms, while warning to instate export curbs on advanced US technology and chips
- Separately, he further warned of steeper 200% tariffs on China if it doesn't loosen its control of rare-earth magnets, leveraging key aviation components, potentially jeopardizing delicate trade truce

US Fed officials divulge on long-term policy (Source: Bloomberg):

- Mr. Williams acknowledged that era of low rates is not over as long-term demographic and productivity trends give scope for lower rates
- Ms. Logan advocated for incorporating diverse views from FOMC into monetary policy, rather than just focussing on the median view

Easing property regulations in China raises hopes for much more (Source: Bloomberg): Shanghai has relaxes its home purchase policy, allowing residents to purchase unlimited flats outside the city's ring road (vs 2 flats previously), while reducing the mortgage rate for 2nd home buyers by 30 bps to 3.05%, in line with 1st home buyers, in order to boost a flailing housing market.

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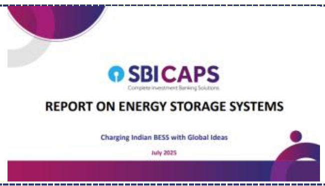

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