28 August 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.23	-4
US 2Y*	3.62	-4
Germany 10Y	2.70	-2
UK 10Y	4.73	-1
Japan 10Y	1.62	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.33	1
6.33% GS 2035* (10Y)	6.60	0
6.68% GS 2040*	6.94	2
1-Month T-bill	5.48	-2
3-Month T-bill	5.46	-2
6-Month T-bill	5.57	0
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	51	81	80	65
AA	156	183	178	157
A	349	370	371	358

Source: FIMMDA, as on 25 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	4.38

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Call Money	177.7	5.44
Triparty Repo	4,560.5	5.36
Market Repo	1,938.2	5.37
Repo in corporate bond	32.6	5.58

Source: RBI, as of 26 August, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	80,786	-1.0
NIFTY	24,712	-1.0
NASDAQ	21,590	0.2
S&P 500	6,481	0.2
Nikkei 225	42,520	0.3
Euro Stoxx 50	5,393	0.2

Source: Google Finance

Commodities futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.7	0.8
Natural gas Nymex (USD/MMBtu)	2.9	5.1
Gold Comex (USD/t oz.)	3,448.5	0.5
Copper Comex (USD/lb)	449.1	-0.6
Wheat cbot (USD/bu.)	524.8	-1.0

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.69	0.0
GBP/ INR	118.28	0.2
EUR/ INR	102.03	0.2
EUR/USD	1.16	0.2
DXY Index	98.12	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: T-Bill and VRRR Auction, IIP Jul'25; **US:** PCE, GDP Q2CY25.

Domestic

Additional 25% tariff by US comes into effect (Source: BS):

- The additional 25% tariff imposed by US on India for its purchases of Russian oil came into effect, bringing the total to 50%
- Union hopes that the US would review extra 25% tariff, adding that it plans steps to help cushion its impact
- Finance ministry in its monthly report noted that the immediate impact of US tariffs appears to be limited but it may have ripple effects
- It also mentioned that upgrade in rating and sweeping tax reforms would reduce borrowing costs and attract more FDI

State capex rises in 4MFY26 (Sources: FE): Capital expenditure by 17 state governments grew around 19% y/y in 4MFY26 down from 30% in 3MFY26, reflecting a moderation in Jul'25 due to the monsoon. They also reported a 6.6% y/y increase in their tax revenues in 4MFY26, and their borrowings rose 44% y/y as revenue growth slowed.

Union finalises roadmap for Carbon Capture, Utilisation and Storage (CCUS) mission (Source: The Hindu Businessline): As per media sources, Union is working on the final contours of a roadmap and funding outlay for the mission on CCUS mission. It has an estimated 600 bn tonnes of geological CO_2 storage potential.

SGS auctions conducted successfully (Source: RBI): SGS worth Rs. 288.9 bn were auctioned by 15 states, against a notified amount of Rs. 341.5 bn, with cut-off yields for 10Y being in the range of 7.27% for Himachal Pradesh to 7.49% for Rajasthan. Notably, Maharashtra has not accepted any amount in securities.

International

US Fed official mulls over rate cut (Source: Bloomberg): Mr. Barkin expects for a modest cut in interest rates given what he expects will be little variation in economic activity over the remainder of the year.

EU proposes removing US tariffs (Source: Bloomberg): As per media sources, EU is looking to quicken its move to pass the legislation to remove all tariffs on US industrial goods. It seeks to meet US demand before US consider lowering tariffs on EU autos.

Tariff pressures reshape internation trade (Source: Bloomberg):

- Mr. Bessant, US Treasury Secretary commented that US and India will come together despite escalating trade tensions
- Mexico is expected to raise tariffs on imports from China after US push. Other Asian countries are also expected to face higher tariffs

China's industrial profits decline at slower pace in Jul'25 (Source: Reuters): Profits at China's major industrial companies declined at a slower pace in Jul'25 as total profits dip 1.5% y/y, compared to a 4.3% fall in Jun'25. For 7MCY25 profits dropped 1.7% y/y. Also, China is expected to announce more policies in Sep'25 to broaden service consumption.

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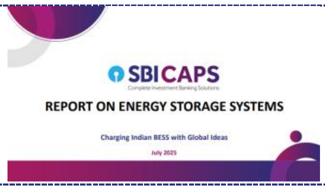

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