05 August 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.20	-2
US 2Y*	3.70	2
Germany 10Y	2.62	-5
UK 10Y	4.51	-1
Japan 10Y	1.47	-8

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.75% GS 2029*	5.97	-4
6.33% GS 2035* (10Y)	6.38	1
6.92% GS 2039*	6.67	-4
1-Month T-bill	5.33	-1
3-Month T-bill	5.36	-2
6-Month T-bill	5.49	2
12-Month T-bill	5.49	-4

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	56	103	79	85
AA	169	201	174	176
A	351	388	366	377

Source: FIMMDA, as on 1 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	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments		
Instrument	**Volume (in Rs. Bn)**	**Weighted Avg Rate (%)**
Call Money	154.1	5.37
Triparty Repo	4,024.0	5.22
Market Repo	1,918.0	5.29
Repo in corporate bond	27.9	5.49

Source: RBI, as of 04 August, 2025

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	81,019	0.5
NIFTY	24,723	0.6
NASDAQ	21,054	2.0
S&P 500	6,330	1.5
Nikkei 225	40,291	-1.2
Euro Stoxx 50	5,242	1.5

Source: Google Finance

Commodities futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	68.6	-1.5
Natural gas Nymex (USD/MMBtu)	2.9	-4.5
Gold Comex (USD/t oz.)	3,430.2	0.9
Copper Comex (USD/lb)	445.7	0.5
Wheat cbot (USD/bu.)	512.5	-0.8

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	87.66	0.1
GBP/ INR	116.92	1.0
EUR/ INR	101.26	0.4
EUR/USD	1.16	-0.2
DXY Index	98.85	0.2

Source: Morningstar, Bloomberg, Marketwatch

Key event

India: SGS Auction; **Services PMI Jul'25:** India, Japan, China, US, Eurozone; **Eurozone:** PPI Jun'25; **US:** Trade Balance Jun'25

Domestic

POTUS threatens to raise tariffs substantially (Source: The Hindu, PIB): Mr. Trump has threatened yet again over India's purchase of Russian oil, saying he will substantially raise tariffs on goods from India. Apart from this, he also cited India's military equipment purchases from Russia as an irritant. India responded by saying it will prioritise such purchases for energy security.

NBFCs nudge RBI to lower risk weight (Source: ET): NBFCs have requested RBI to not consider loan against property on par with unsecured loans while assigning risk weights. They have urged the RBI to reduce the current cap of 125% and align more closely with home loans in the range of 35% to 50%. This is as per media sources.

Panel pitches for more IFSC like hubs (Source: ET): Parliamentary panel on finance has urged to consider setting up satellite financial innovation zones or fintech clusters in other major cities. It aims to boost inclusive growth and attract diverse investors. The panel also emphasised on regular reviews of asset monetisation goals.

RBI to settle dollar-rupee swap without rollover (Source: ET): As per media sources, RBI will deliver a USD 5 bn dollar-rupee swap, with surplus rupee liquidity in the banking system leaving little need for a rollover.

SEBI plans to ease RPT rules for large firms (Source: BS): SEBI has proposed linking materiality thresholds for related party transactions (RPTs) to a company's turnover. This could reduce shareholder approval requirements by nearly 60% for the top 100 listed firms. Currently an RPT is considered material if the transaction exceeds Rs 10 bn or 10% of the annual consolidated turnover.

International

Services sector activity rises in Jul'25 in East Asia (Source: S&P Global):

- China's Caixin services PMI rose at faster pace to 52.6 in Jul'25 (Jun: 50.6), amidst rising exports. Composite PMI fell by 0.5 to 50.8 in Jul'25
- Japan services PMI surged to 53.6 in Jul'25 (Jun: 51.7). Composite PMI rose by 0.1 to 51.6 in Jul'25

US Fed official mulls over rate cuts (Source: Reuters): Ms. Daly commented that since US job market is softening and there are no signs of persistent tariff driven inflation, the time is nearing for interest rate cuts. She added that two quarter point cuts pencilled for this year in Jun'25 meeting looks appropriate.

US factory orders fall sharply in Jun'25 (Source: Reuters): New orders for US goods fell as expected to 4.8% m/m in Jun'25 as aircraft orders plunged, reversing the surge of 8.3% in the prior month. Orders were up 3.8% y/y basis in Jun'25.

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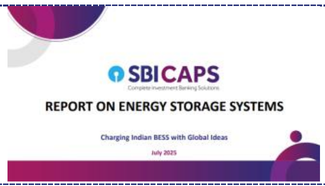

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