05 September 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.15	-7
US 2Y*	3.58	-3
Germany 10Y	2.72	-2
UK 10Y	4.72	-3
Japan 10Y	1.57	-4

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.27	-2
6.33% GS 2035* (10Y)	6.49	-5
6.68% GS 2040*	6.83	-7
1-Month T-bill	5.35	-7
3-Month T-bill	5.50	0
6-Month T-bill	5.61	0
12-Month T-bill	5.65	0

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

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	103	57	90	68
AA	207	159	187	158
A	400	346	379	358

Source: FIMMDA, as on date 02 Sep, 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	8.60
SOFR	4.39

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	80,718	0.2
NIFTY	24,734	0.1
NASDAQ	21,708	1.0
S&P 500	6,502	0.8
Nikkei 225	42,580	1.5
Euro Stoxx 50		

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	66.7	-0.7
Natural gas Nymex (USD/MMBtu)	3.1	0.3
Gold Comex (USD/t oz.)	3,611.5	0.3
Copper Comex (USD/lb)	457.7	-0.5
Wheat cbot (USD/bu.)	520.0	-0.1

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	88.15	0.1
GBP/ INR	118.35	0.0
EUR/ INR	102.87	0.3
EUR/USD	1.17	0.2
DXY Index	98.35	0.2

Source: Morningstar, Bloomberg, Marketwatch

Key events

US: Non-farm Payrolls Aug’25; **Eurozone:** GDP Q2CY25; **UK:** Retail Sales Jul’25; **Germany:** Factory Orders Jul’25

Domestic

Novel push for high-speed highways in the offing (Source: ET): As per media sources, Rs. 11 trn are likely to invested over the next decade to modernise the high-speed road network, expanding it fivefold. The country will add 17,000 km of access-controlled roads. ~40% of the proposed network is under construction and will be complete by 2030, while the remaining corridors will finish by 2033. Projects offering returns>15% will use the BOT-Toll mode, while others shall follow the BOT-HAM mode.

Further clarity emerges on GST changes (Source: ET, SBI): The CBIC Chief clarified that sin goods will face extra levy over 40%. He added that the classification of items is now based on ‘merit’ and ‘standard’ unlike 2017 when it was based on revenue neutrality. Further, SBI Research said that changes may reduce CPI by upto 75 bps.

Europe stocks up on diesel ahead of curbs (Source: ET): Diesel exports to Europe surged 137% y/y to 242 bpd in Aug’25 as buyers braced for the EU’s ban on fuels refined from Russian crude from Jan’26.

International

Global economic activity at a crescendo in Aug’24 (Source: S&P Global):

- Global Composite PMI touched 52.9, a 14-month high. Services outperformed manufacturing for a sixth month running, with traction seen for financial services
- US Composite PMI remained expansionary at 54.6, though a wee bit below Jul’25. This was due to a fall in Services PMI due to decrease in new export business and concern over tariffs

US overall trade balance expands sharply as expected in Jul’25 (Source: BEA): Imports rose 5.9% m/m (seasonally adjusted), while exports remained flattish – this meant the trade deficit reached USD 78.3 bn. Large increase was seen in import of non-monetary gold and capital goods. Goods deficit with China increased by USD 5.3 bn to USD 14.7 bn.

Canada’s trade deficit narrows in Jul’24 (Source: CBC): This was as overall exports rose sequentially, especially driven by outbound shipments of crude oil and passenger cars to its biggest trading partner, the US. Notably, on year, exports continue to be down by more than 10%, with sharp tariffs on aluminium and steel taking their toll.

Eurozone retail sales depressed on low food consumption (Source: Eurostat): In the euro area, food purchases increased by a mere 0.9% y/y, with healthier increases in non-food products. This led to retail sales growing by 2.2%, below expectations.

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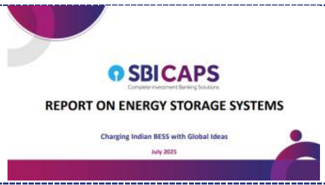

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