1 September 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.23	2
US 2Y*	3.62	-1
Germany 10Y	2.72	3
UK 10Y	4.72	2
Japan 10Y	1.59	-2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.29	2
6.33% GS 2035* (10Y)	6.57	4
6.68% GS 2040*	6.98	9
1-Month T-bill	5.44	-1
3-Month T-bill	5.48	-2
6-Month T-bill	5.54	-1
12-Month T-bill	5.59	-1

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

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	84	81	88	66
AA	183	183	186	159
A	376	370	379	360

Source: FIMMDA, as on 28 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	8.60
SOFR	4.34

Source: RBI, Federal Reserve Bank of New York

Money Market instruments (Term segment)		
Instrument	Volume (in Rs. Bn)	Weighted Avg Rate (%)
Notice Money	172.2	5.50
Term Money	10.5	-
Triparty Repo	4,045.6	5.40
Market Repo	1,838.3	5.38
Repo in corporate bond	0.0	NA

Source: RBI, as of 29 August, 2025

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	79,810	-0.3
NIFTY	24,427	-0.3
NASDAQ	21,456	-1.2
S&P 500	6,460	-0.6
Nikkei 225	42,718	-0.3
Euro Stoxx 50	5,352	-0.8

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.5	-0.9
Natural gas Nymex (USD/MMBtu)	3.0	0.7
Gold Comex (USD/t oz.)	3,448.0	-0.7
Copper Comex (USD/lb)	459.1	0.8
Wheat cbot (USD/bu.)	534.3	0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	88.21	0.7
GBP/ INR	119.07	0.6
EUR/ INR	101.85	-0.3
EUR/USD	1.17	0.2
DXY Index	97.86	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

Manufacturing PMI Aug'25: India, China, Japan, Eurozone; **Turkey:** GDP Q2CY25

Domestic

Real GDP records sharp recovery in Q1FY26 (Source: MoSPI):

- Real GDP grew 7.8% y/y in Q1FY26 exceeding expectations of 6.8%, helped by lower GDP deflator as Nominal GDP for grew by 8.8%
- Real GVA growth increased to 7.6% from 6.8% y/y in Q4FY25, with industry GVA slumping on tepid mining growth. Services GVA rose at a robust pace of 9.3%
- From expenditure side, real PFCE grew 7.0%, picking momentum from Q4. GFCF was at 7.8% and GFCE at 7.3%

For more details, please refer to our release titled: FY26 GDP: RESILIENCE MEETS UNCERTAINTY

Credit growth shows revival pangs in Jul'25 (Source: RBI):

- Non-food credit growth stood at 9.9% y/y in (Jun: 9.3% y/y)
- Industry credit grew 6% driven by MSME oriented segments. Services credit grew 10.6% and personal loans by 12%
- WALR o/s dropped 6 bps to 9.38%, whereas WALR fresh rose by 18 bps to 8.80% vs. Jun'25. WADTDR O/S dropped 8 bps to 6.92% due to 14 bps drop in WADTDR fresh to 5.61% vs. Jun'25
- MCLR dropped 15 bps m/m to 8.60% vs. Jun'25

Fiscal deficit widens in 4MFY26 (Source: CGA):

- Total receipts rose to Rs. 10.6 trn in 4MFY26 (31.1% of FY26BE). Net tax revenues stood at Rs.6.6 trn with drop of 7% y/y, while non-tax revenue grew 34% y/y to Rs. 4.0 trn driven by RBI dividend
- Total expenditure grew 20% y/y to Rs. 15.6 trn in 4MFY26. Revex grew 17% y/y, while capex grew by staggering 33% y/y to Rs. 3.5 trn
- Fiscal deficit reached Rs. 4.7 trn in 4MFY26, which is 30% of FY26BE

Union issues notification to fast pace 100% FDI in insurance sector (Source: ET): The Finance Ministry issued a notification to facilitate 100% foreign investment (current: 74%) in the insurance sector, pending Parliamentary approval. It has provisions allowing foreign investment through the automatic route, subject to IRDAI verification.

International

US inflation stays stable in Jul'25 (Source: Reuters): US PCE remained stable at 2.6% y/y in Jul'25 driven by services which rose 3.6% y/y whereas goods rose at moderate rate of 0.5%. Notably, Core inflation rose 2.9% in Jul'25, up 0.1 pp from Jun'25, highest level in five months.

US Appeals Court rules most tariffs are not legal (Source: Reuters): The Court ruled that most of tariffs levied are illegal, even as it allowed them to remain in place through 14 Oct'25 to give the US administration a chance to file an appeal with the Supreme Court.

Manufacturing activity shrinks East Asia in Aug'25 (Source: Reuters, S&P Global):

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- China’s manufacturing activity shrank for a fifth straight month in Aug’25 as Caixin manufacturing PMI printed 49.4 (Jul: 49.3)
- Japan manufacturing PMI was at 49.7 in Aug’25 as new orders continued to fall, yet improved from 48.9 in Jul’25

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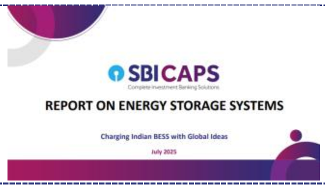

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