

16 September 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.04	-2
US 2Y*	3.63	7
Germany 10Y	2.69	-2
UK 10Y	4.63	-4
Japan 10Y	1.59	1

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.25	-1
6.33% GS 2035* (10Y)	6.50	1
6.68% GS 2040*	6.83	1
1-Month T-bill	5.49	0
3-Month T-bill	5.50	0
6-Month T-bill	5.60	-4
12-Month T-bill	5.64	-1

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	115	92	112	81
AA	219	194	209	171
A	412	381	401	371

Source: FIMMDA, as on 12 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	4.42

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	81,786	-0.1
NIFTY	25,069	-0.2
NASDAQ	22,349	0.9
S&P 500	6,615	0.5
Nikkei 225	44,768	0.0
Euro Stoxx 50	5,440	0.9

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	67.6	0.9
Natural gas Nymex (USD/MMBtu)	3.0	2.7
Gold Comex (USD/t oz.)	3,716.8	0.8
Copper Comex (USD/lb)	470.9	1.2
Wheat cbot (USD/bu.)	527.0	0.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	88.22	-0.1
GBP/ INR	119.95	0.2
EUR/ INR	103.66	1.1
EUR/USD	1.18	0.3
DX Index	97.30	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: SGS Auction; **US:** Retail Sales Aug'25, Industrial Production Aug'25; **Germany:** ZEW Sep'25; **Canada:** CPI Aug'25

Domestic

Wholesale prices crawl upwards in Aug'25 (Source: PIB, CEIC): WPI registered 0.52% y/y, the first positive reading in 3 months and above expectations of 0.30%. Prices of Manufactured Products (up 2.55%) rose enough to single handedly counter declines in both Primary Articles and Fuel & Power. Edible fats and oil seeds became dearer while sharp corrections were seen in potato and onion prices. Sequentially, WPI clocked 0.52% m/m.

Goods trade deficit narrows in Aug'25 (Source: PIB, ET): Merchandise trade deficit shrank to USD 26.5 bn vs. USD 27.4 bn in Jul'25. However, it was wider than estimates of USD 25.1 bn. Both imports and exports declined sequentially, with exports to the US declining by 14% m/m. Including services, overall trade deficit is estimated at USD 9.9 bn, significantly lower than in Aug'24.

Vehicle wholesales rise in Aug'25 on 2W and 3W resilience (Source: SIAM, The Hindu Businessline): Wholesales of PV tanked 8.8% y/y to 322k units due to recalibration of despatches by PV manufacturers. 3W posted highest ever Aug sales at 76k units while 2W segment grew handsomely by 7.1% to 1.8 mn units. Exports of vehicles saw a sharp uptick, rising by 28.5% y/y, with all categories prospering.

Kharif sowing progresses well on abundant rainfall (Source: PIB): As of 12 Sep'25, total sown area was up by 1.4% y/y, with large gains in coarse cereals. Rice sowing was up 2.0%, while oilseeds saw a reduction in sown area, prompting a sharp rise in imports in Aug'25. It may be noted that cumulative rainfall till 15 Sep'25 is 7.2% above LPA.

International

Progress seen on global trade deals with US (Source: Reuters):

- India and the US are set to hold talks in the hope for a reset. The US Trade Representative will be in India for the same on 16 Sep'25
- US and China have reached a framework deal on Tiktok, which gives US-controlled ownership to the app. Additionally, Mr. Bessent said that the US won't apply punitive tariffs for Russian oil purchases on China unless Europe goes first
- US and UK are set to announce more than USD 10 bn in deals during Mr. Trump's visit to the island nation

US banks see tight liquidity (Source: Reuters): US banks borrowed USD 1.5 bn from the US Fed's Standing Repo Facility, in light of corporate tax payments coming up. This indicates mild funding pressure as the SOFR rose above the IORB.

Merchandise trade surplus in the euro area dips in Jul'25 (Source: Eurostat): In Jul'25, euro area trade surplus stood at EUR 12.4 bn, compared with EUR 18.4 bn in Jul'24. Exports grew by 0.4% y/y, while imports rose much faster by 3.1%. The deterioration in trade balance is attributable to chemicals and related products. Exports to the US by EU dipped by 4.4%, with China and India also seeing dips.

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