2 September 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.25	2
US 2Y*	3.63	1
Germany 10Y	2.74	2
UK 10Y	4.75	3
Japan 10Y	1.61	2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.30	1
6.33% GS 2035* (10Y)	6.59	2
6.68% GS 2040*	6.98	1
1-Month T-bill	5.46	2
3-Month T-bill	5.48	0
6-Month T-bill	5.57	3
12-Month T-bill	5.60	1

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	49	54	36	39
AA	163	156	133	129
A	356	343	325	329

Source: FIMMDA, as on 29 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		
Instrument	**Volume (in Rs. Bn)**	**Weighted Avg Rate (%)**
Call Money	190.9	5.42
Triparty Repo	4,115.4	5.28
Market Repo	1,871.2	5.32
Repo in corporate bond	21.3	5.58

Source: RBI, as of 01 September, 2025

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	80,364	0.7
NIFTY	24,625	0.8
NASDAQ	21,455	0.0
S&P 500	6,460	0.0
Nikkei 225	42,292	-1.0
Euro Stoxx 50	5,367	0.3

Source: Google Finance

Commodities futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	68.5	1.5
Natural gas Nymex (USD/MMBtu)	3.0	-1.3
Gold Comex (USD/t oz.)	3,563.1	3.3
Copper Comex (USD/lb)	459.0	0.0
Wheat cbot (USD/bu.)	529.0	-1.0

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	88.20	0.0
GBP/ INR	119.19	0.1
EUR/ INR	102.99	1.1
EUR/USD	1.17	0.1
DXY Index	97.77	-0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: SGS Auction; **Eurozone:** CPI Aug'25; **Manufacturing PMI Aug'25:** US, World; **Brazil:** GDP Q2CY25

Domestic

Current account moves to mild deficit in Q1FY26 (Source: RBI):

- Merchandise deficit widened to USD 68.5 bn in Q1FY26 (Q4FY25: USD 59.5 bn), owing to higher imports, especially in Jun'25. Services surplus was at USD 47.9 bn
- Net FDI inflow stood at USD 5.7 bn after a flattish Q4FY25, while FPI recorded inflow of USD 1.6 bn
- Net ECB inflows halved q/q to USD 3.7 bn, while NRI deposits rose ~25% q/q to USD 3.7 bn
- Remittances remained flattish q/q at USD 33.2 bn

HFIs reflective of resilient domestic growth in Aug'25 (Source: S&P Global, NPCI, IEX, CEIC):

- Manufacturing PMI rose to 17-year high of 59.3 in Aug'25 (Jul: 59.1), with increase in domestic demand offset by lower export orders
- Power consumption rose 4.4% y/y to 150 BU in Aug'25. On IEX, DAM prices fell 10% y/y to Rs. 4/unit, with volumes on exchange rising 2.5% y/y to 4.83 TWh
- Coal production rose 9.3% y/y to 50 mn tonnes
- Domestic PV sales fell 7% y/y to 330k units, with dealerships citing GST rate rationalization leading to deferment in purchase
- UPI transactions rose 21% y/y to Rs. 24.8 trn in value terms
- FasTag collections rose 26% y/y to highest ever value of Rs. 70 bn

GST collections muted in Aug'25 (Source: CNBC-TV18, ToI): GST collections rose 6.5% y/y to Rs. 1.86 trn in Aug'25, with domestic revenue rising 9.6% to Rs. 1.37 trn, while import collections fell on year. Collections were muted due to a rainy Jul'25 as is typical, with a pickup expected in festive season. Net GST revenue chimed in 10.7% higher at Rs. 1.67 trn as refunds fell sharply.

International

POTUS indicates India's willingness to cut tariffs (Source: Reuters): POTUS Mr. Trump claimed that India is willing to cut tariffs to almost nothing, however stating that it might be too late to do so. He also criticised India for a "very one-sided" relationship with the US.

US administration mulls new measures to lower housing costs (Source: Reuters): US Treasury Secretary Mr. Bessent interjected that POTUS Mr. Trump is planning new measures to tackle the high cost of housing, emphasizing the urgency of the situation. He also said the US Fed has made mistakes while acknowledging it needs to be free.

Eurozone manufacturing activity records highest in over 3 years (Source: S&P Global): Eurozone manufacturing PMI rose to 50.7 in Aug'25 (Jul: 49.8; Prelim: 50.5), at 38-month high, with renewed uptick in demand, first expansion in new orders in over 3 years and depleting inventory levels, offset by mild contraction in exports.

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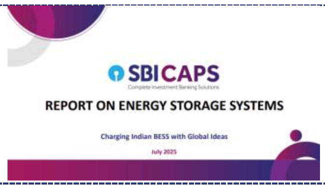

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