08 October 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.13	-3
US 2Y*	3.57	7
Germany 10Y	2.71	-1
UK 10Y	4.72	-1
Japan 10Y	1.68	-1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.11	-1
6.33% GS 2035* (10Y)	6.45	-1
6.68% GS 2040*	6.80	0
1-Month T-bill	5.36	-1
3-Month T-bill	5.47	9
6-Month T-bill	5.55	5
12-Month T-bill	5.57	3

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	118	119	41	80
AA	230	216	138	175
A	423	411	337	382

Source: FIMMDA, as on 03 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	4.15

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	81,926	0.2
NIFTY	25,108	0.1
NASDAQ	22,788	-0.7
S&P 500	6,714	-0.4
Nikkei 225	47,996	0.1
Euro Stoxx 50	5,613	-0.3

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	66.0	0.4
Natural gas Nymex (USD/MMBtu)	3.5	3.6
Gold Comex (USD/t oz.)	4,028.9	1.0
Copper Comex (USD/lb)	508.4	0.1
Wheat cbot (USD/bu.)	505.5	-1.1

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	88.78	0.0
GBP/ INR	118.96	-0.5
EUR/ INR	103.12	-0.6
EUR/USD	1.16	-0.7
DXY Index	98.83	0.7

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: T-Bill Auction; **Policy Rate:** Thailand, New Zealand, Poland

Domestic

Draft to institute major changes in capital norms for SCBs issued (Source: RBI): Proposed changes include:

- Nuanced and granular risk weights for corporate, MSME loans and real estate exposure
- Revision in credit conversion factors for off-balance sheet items
- Adjustments to risk weights applied to loans rated by CRAs, depending on default history of such loans for each CRA

Draft for implementing ECL framework in SCBs and AIFIs put forth (Source: RBI): Salient features:

- Introduction of staging criteria for asset classification under ECL approach, while retaining extant NPA classification
- Specification of prudential floors for exposure classes, stage wise
- Alignment of income recognition norms based on Effective Interest Rate (EIR) method

HFIs shine amidst festivities in Sep'25 (Source: FADA, BS):

- Auto retail sales rose 5.2% y/y in Sep'25 (Aug: 2.8%), with muted first half offset by GST cuts and 34% rise during festive week. 2W rose 6.5%, PV rose 5.8% and tractors rose 3.6% in Sep'25
- Diesel consumption rebounded by 6.4% y/y, with festive stocking by industries, while petrol grew 7.5%. ATF consumption declined 1.4% as rains hindered air travel

Growth forecast upgraded for FY26 (Source: World Bank): World Bank predicts the economy to grow by 6.5% y/y in FY26 (+0.2pp) in real terms. It slashed FY27 forecast to 6.3% y/y (-0.3pp) as stimulus measures unwind and prolonged tariffs bite into growth prospects.

Union launches settlement systems to boost international trade (Source: Reuters): FM Ms. Sitharaman announced new foreign currency settlement system in GIFT City to facilitate seamless, real-time transactions, boosting international trade and investments.

International

Trade conundrum induces long-term uncertainty (Source: WTO): WTO predicts trade volumes to grow 2.4% y/y in CY25, vs 0.9% y/y previously, amidst front-loading of US imports. The outlook has deteriorated for CY26, with growth pegged at 0.5% y/y (Prev: 1.8%).

Renewables growth constrained by US, China policy changes (Source: Reuters): IEA trimmed its forecast for global renewable energy growth by CY30 to 4.6 TW (-248 GW vs previous), citing early phase out of US federal incentives and China's shift to auction based tariffs, offset by strong offtake in India, which is set to meet its CY30 targets and more.

EU employs protectionist policies to ring-fence steel sector (Source: Bloomberg): EC proposed cutting steel import quotas by 47% y/y, with 50% duty on excess shipments, to push capacity usage to 80% and preserve viability in steel production.

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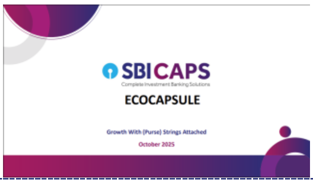

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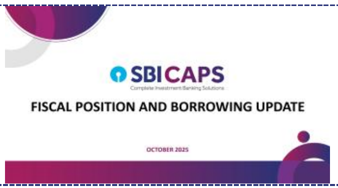

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