16 October 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.02	1
US 2Y*	3.49	3
Germany 10Y	2.57	-4
UK 10Y	4.54	-5
Japan 10Y	1.64	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.11	-2
6.48% GS 2035* (10Y)	6.42	-2
6.68% GS 2040*	6.77	-2
1-Month T-bill	5.41	1
3-Month T-bill	5.43	1
6-Month T-bill	5.53	5
12-Month T-bill	5.54	3

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	127	80	16	90
AA	239	177	113	185
A	432	372	312	392

Source: FIMMDA, as on 14 Oct, 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	4.19

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	82,605	0.7
NIFTY	25,324	0.7
NASDAQ	22,670	0.7
S&P 500	6,671	0.4
Nikkei 225	47,673	1.8
Euro Stoxx 50	5,605	1.0

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	62.4	0.1
Natural gas Nymex (USD/MMBtu)	3.0	1.0
Gold Comex (USD/t oz.)	4,248.8	1.2
Copper Comex (USD/lb)	499.2	-0.6
Wheat cbot (USD/bu.)	499.0	-0.1

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	88.07	-0.8
GBP/ INR	117.80	-0.5
EUR/ INR	102.25	-0.8
EUR/USD	1.17	0.4
DXY Index	98.50	-0.4

Source: Morningstar, Bloomberg, Marketwatch

Key events

US: PPI Sep'25, Retail Sales Sep'25

Domestic

MPC members softened their stance on rates in Sep'25 (Source: RBI): As per minutes of Sep'25 MPC:

- Mr. Malhotra indicated policy space for future rate cut but stressed the need for right timing to maximise impact. He added benign outlook for inflation opened room for measures to support growth
- Ms. Gupta noted that the current growth inflation mix potentially allows some room for a rate reduction
- Mr. Singh said the case for another rate cut has strengthened. He also observed that inflation may breach the 4% target in FY27

RBI sees INR under speculative attack (Source: The Hindu Businessline): As per media sources, the RBI will continue intervening in both onshore and offshore markets until it is satisfied that speculative positions are broken. Consequently, the exchange rate dropped to Rs. 88.07 at the end of 15 Oct'25.

Merchandise trade deficit widens in Sep'25 (Source: PIB):

- Merchandise exports rose by 6.7% y/y at USD 36.4 bn. Imports surged more sharply by 16.7% to USD 68.5 bn. Accordingly, deficit widened to USD 32.2 bn
- Services exports dipped by 5.5% y/y to USD 30.8 bn and imports declined at 7.6% to USD 15.3 bn, resulting in surplus of USD 15.5 bn
- Thereby, overall trade deficit for Sep'25 was at USD 16.6 bn (Sep'24: 8.6 bn) whereas for H1FY26 trade deficit was USD 59.5 bn

Passenger vehicle wholesales rise in Sep'25 (Source: SIAM): Total production across vehicle categories stood at 3.1 mn units, with domestic sales of PVs reaching 372k units up 4.4% y/y. 2W sales also showed rise of 7.0% to 2.2 mn units.

Union may add Rs. 450 bn to defence budget in FY26 (Source: ET): As per media sources, Union may raise the defence budget by Rs. 400 to Rs. 450 bn in FY26 to fund major projects to boost local weapon production and speed up procurement of modern military equipment.

International

China bank loans rise less than expected in Sep'25 (Source: Caixin Global): China's new loans stood at CNY 1.29 trn in Sep'25, up from CNY 590 bn in Aug'25, though below forecasts. Total social financing climbed to CNY 3.53 trn, topping the CNY 3.29 trn forecast.

Trump claims India will stop purchase of Russian oil (Source: HT): Mr. Trump claimed that PM Mr. Modi assured him that India would soon stop the purchase of Russian oil. He also added that he expects China too also stop buying Russian oil.

POTUS threatens tariffs on Spain (Source: Reuters): Mr. Trump threatened trade penalties, including tariffs, against Spain in response to Spain's refusal to raise defence spending to 5% of GDP.

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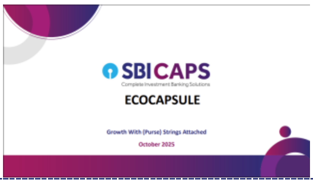

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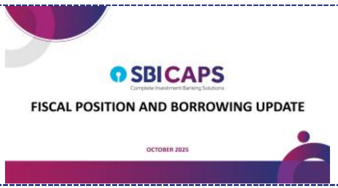

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