17 October 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	3.95	-7
US 2Y*	3.40	-9
Germany 10Y	2.57	0
UK 10Y	4.50	-4
Japan 10Y	1.62	-2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.14	3
6.48% GS 2035* (10Y)	6.44	2
6.68% GS 2040*	6.79	3
1-Month T-bill	5.40	-1
3-Month T-bill	5.43	0
6-Month T-bill	5.52	-1
12-Month T-bill	5.52	-2

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

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	80	61	43	56
AA	188	166	146	156
A	383	361	343	356

Source: FIMMDA, as on 15 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	4.29

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	83,468	1.0
NIFTY	25,585	1.0
NASDAQ	22,563	-0.5
S&P 500	6,629	-0.6
Nikkei 225	48,278	1.3
Euro Stoxx 50	5,652	0.8

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	60.8	-2.5
Natural gas Nymex (USD/MMBtu)	2.9	-3.9
Gold Comex (USD/t oz.)	4,350.9	2.4
Copper Comex (USD/lb)	496.1	-0.6
Wheat cbot (USD/bu.)	502.3	0.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	87.83	-0.3
GBP/ INR	118.28	0.4
EUR/ INR	102.91	0.6
EUR/USD	1.17	0.3
DXY Index	98.20	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: G-Sec & VRR Auction; **US:** Industrial Production Sep'25

Domestic

Another rate cut runs the risk of overdose: MPC Member (Source: ET): Mr. Singh believes that an immediate rate cut poses an overdose risk. He states that existing monetary and fiscal measures are still impacting the economy. He also notes that low inflation negatively affects businesses and public finances.

Union to prioritise local consumers in oil purchases (Source: ET): MEA said the US has shown interest in deepening energy cooperation with India, with discussions underway. It added that local consumers remain the priority in its crude oil import policy, even as US sources claimed India had cut Russian oil purchases by 50%.

India must fire all cylinders to sustain growth and boost trade: IMF Director (Source: ET): Mr. Srinivasan said that India must focus on domestic demand, reforms, investment, innovation, and trade integration to achieve high growth. He emphasized balancing self-reliance with global trade with eased labour laws to boot.

Union plans new credit cover for MSME exporters (Source: FE): As per media sources, Union may soon launch a credit guarantee scheme for MSME exporters for loans up to Rs. 1 bn to aid exported impacted by steep US tariffs. The upfront deposit for cover might be less than 5% as applicable in Mutual Credit Guarantee Scheme (MCGS) for MSMEs.

International

US Fed officials mull over rate cut and job market (Source: Reuters):

- Mr. Waller said he supports another 25-bps rate cut in Oct'25 due to mixed job market data
- Mr. Kashkari said there is more risk of labour market downturn than inflation surge and he sees rate cuts insurance against dire outcomes
- Barkin commented that consumers continue to spend given low unemployment and wage gains, but are more constrained
- Mr. Miran marked that policymakers focus on tariff makes central bank seem political and they must take all or nothing approach

US budget deficit dips in FY25 on boost from tariffs (Source: Reuters): US budget deficit shrank by USD 41 bn to USD 1.8 trn in FY25 as an increase in revenue from tariffs and cuts to education spending helped offset higher outlays on healthcare, retirement programs and interest on the debt. The smaller deficit was aided by a record USD 195 bn in net customs receipts, an increase of USD 118 bn from the prior year.

Merchandise trade surplus in the euro area dips in Aug'25 (Source: Eurostat): In Aug'25, euro area trade surplus stood at EUR 1 bn, compared with EUR 3 bn in Aug'24. Exports dipped by 4.7% y/y, while imports fell by 3.8%. This was primarily attributed to the decline in the surplus of chemicals coupled with a decrease in the balance of machinery and vehicles.

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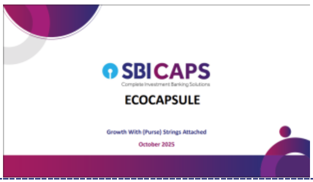

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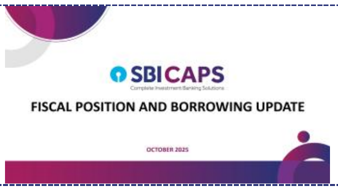

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