08 December 2025

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.14	5
US 2Y*	3.56	4
Germany 10Y	2.80	3
UK 10Y	4.48	5
Japan 10Y	1.93	1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.18	-6
6.48% GS 2035* (10Y)	6.49	-2
6.68% GS 2040*	6.87	-5
1-Month T-bill	5.24	1
3-Month T-bill	5.22	-12
6-Month T-bill	5.45	-5
12-Month T-bill	5.44	-9

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	100	89	40	69
AA	199	197	145	169
A	389	389	338	364

Source: FIMMDA, as on 04 Dec, 2025

Key rates	
Policy	**Rate (in %)**
Repo rate	5.25
Standing Deposit Facility Rate	5.00
Bank rate	5.50
1-year median MCLR of SCBs	8.50
SOFR	3.92

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	85,712	0.5
NIFTY	26,186	0.6
NASDAQ	23,578	0.3
S&P 500	6,870	0.2
Nikkei 225	50,492	-1.1
Euro Stoxx 50	5,724	0.1

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	63.8	1.0
Natural gas Nymex (USD/MMBtu)	5.3	3.9
Gold Comex (USD/t oz.)	4,243.0	0.2
Copper Comex (USD/lb)	546.2	1.1
Wheat cbot (USD/bu.)	535.8	-0.7

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	89.99	0.0
GBP/ INR	119.98	0.1
EUR/ INR	104.29	-0.3
EUR/USD	1.16	-0.1
DXY Index	98.99	0.0

Source: Morningstar, Bloomberg, Marketwatch

Key events

China: Trade Balance Nov'25; **Japan:** GDP Q3CY25

Domestic

Surprise repo rate cut effected as inflation dips, liquidity to be enhanced (Source: RBI): As per the Dec'25 MPC:

- The repo rate was reduced by 25bps to 5.25% unanimously. Consequently, the SDF is now at 5.00% and bank rate is at 5.50%
- The stance was retained at "neutral" by a 5-1 vote, with the lone dissenter advocating for an "accommodative" stance
- OMO Union G-sec purchases of Rs. 1 trn and USD/INR buy/sell swap of USD 5 bn were promised in Dec'25
- CPI projection was brought down sharply to 2.0% y/y in FY26. Governor mentioned that these reflect high precious metal prices
- Real GDP growth projection was upped by 0.5pp to 7.3% y/y for FY26, with Q3FY26: 7.0%, Q4FY26: 6.5%
- No major concern was sounded on INR depreciation, with the Governor expecting the CAD to be sustainable

For more details, refer to our Report on RBI MPC titled: "RBI Issues Festival Bonus For The Markets"

Government weighs in on capacity expansion in power sector (Source: The Hindu Businessline): The MNRE asked lenders to extend funding to solar cells, ingots-wafers, polysilicon, solar glass, aluminium frames etc. rather than restrict themselves to modules alone. It also clarified it had not asked pause in funding to RE projects and module manufacturers.

India-Russia agree to promote trade (Source: ET): PM Mr. Modi said that both sides are working towards the early conclusion of a Free Trade Agreement with the Eurasian Economic Union. Russia assured India of uninterrupted fuel supplies. In addition, Indian companies will establish a urea plant in Russia. Measures to facilitate health, migration, maritime logistics were also set forth.

Union moves to regulate airfares (Source: BT): Under the revised caps, airlines cannot charge more than Rs 7,500 for routes up to 500 km, Rs 12,000 for 500–1,000 km, Rs 15,000 for 1,000–1,500 km, and Rs 18,000 for routes exceeding 1,500 km. These limits apply uniformly across all airlines and booking platforms

International

US inflation in line with expectations (Source: US BEA, Bloomberg): Headline US PCE rose 2.8% y/y in Sep'25, which was as per forecast. Core PCE, the US Fed's chosen barometer printed 2.8% as well, ~100bps below estimate. Sequentially, core PCE clocked 0.2% m/m. Personal savings have shown secular decline in the past few months.

Booming trade surplus presents a surprise in China (Source: Xinhua): China recorded a trade surplus of USD 112 bn in Nov'25, helped by a 5.9% y/y surge in exports (forecast: 3.8%) and lower than estimated rise in imports. In 11MYCY25, China's foreign trade is up 3.6% y/y.

The Daily Digest

Eurozone output better than forecast in Q3CY25 (Source: Eurostat): Real GDP grew by 0.3% q/q (expectation: 0.2%, Q2CY25: 0.1%), on a seasonally adjusted basis. Growth was led by Poland and Spain, even as Germany faltered with virtually no expansion. Momentum was felt in GFCF, with a rise in GFCE offsetting subdued household consumption.

Japan's economy contracts in Q3CY25 (Source: Bloomberg): Real GDP dropped 0.6% q/q, worse than initial estimated 0.4% dip. The capital expenditure component of GDP, a barometer of private demand, fell 0.2%, lowered from the initial estimate of a 1.0% rise. This was enough to override the minor gain in private consumption.

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