

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.17	5
US 2Y*	3.47	2
Germany 10Y	2.85	0
UK 10Y	4.47	-3
Japan 10Y	2.05	0

Source: Bloomberg, *semi-annual

Key events

None

Domestic

Fiscal deficit widens to 6.2% of FY26BE in 8MFY26 (Source: CEIC):

- Gross tax revenue rose at a sullen 3.3% y/y to Rs. 23.4 trn (54.7% of FY26BE), with net tax revenue de-growing on account of generous transfer to States. Total receipts clocked Rs. 19.5 trn (up 2.9%)
- Capital expenditure rose handsomely by 28.2% y/y to Rs. 6.6 trn even as revenue expenditure showed only a modest rise
- Fiscal deficit chimed in at Rs. 9.8 trn, up sharply by 15.4% y/y

Banks lent at a steady pace in Nov'25 (Source: RBI):

- Outstanding non-food bank credit clocked a gain of 11.4% y/y
- Credit to industry maintained momentum, growth 9.6%, continuing to be driven by MSME. Buoyancy was observed in infrastructure, engineering, textiles, and energy segments
- Services credit printed a growth of 11.7%, with flow to NBFCs being offset by deceleration in trade and commercial real estate. Personal loan segments remained an outperformer, growing 12.8%
- WALR (fresh loans) surged to 8.71% (Oct'25: 8.61%), even as WALR (outstanding) marginally declined by 3bps to 9.21%. 1-year MCLR moderated by 5bps to 8.45%

Central Bank expresses confidence on Indian economy and banks (Source: RBI): Highlights of the Financial Stability Report, Dec'25:

- Macro stress test results affirm the resilience of SCBs to withstand losses under hypothetical adverse scenarios and maintain capital buffers well above the regulatory minimum. Stress tests also confirm the resilience of mutual funds
- NBFCs continued to diversify their funding sources, even as bank lending remained dominant

Union axes electric vehicle incentive (Source: Tol):

As per media sources, subsidies for e-3W are likely to be withdrawn post target achievement as per PM e-DRIVE scheme. Electric penetration in the segment has reached ~32%, in line with target.

Cabinet approves key highway projects (Source: PIB):

Approval was accorded to the construction of the 374 km, 6-lane greenfield access-controlled Nashik-Solapur-Akkalkot corridor on BOT(Toll) mode for Rs. 191.4 bn. Further, improvement works were sanctioned for a 243.1 km stretch in southern Odisha for Rs. 15.3 bn.

International

South Korean exports hit an all-time high in CY25 (Yonhap):

Crossing the magic USD 700 bn mark for the first time, the country's exports clocked USD 709.7 bn, up 3.8% y/y in CY25. Semiconductor exports jumped 22.2% y/y to USD 173.4 bn on the back of growth in AI.

US jobless claims fall during the Christmas week (Bloomberg):

Initial claims for unemployment benefits dropped unexpectedly by 16k w/w to 199k for the week ended 27 Dec'25. Firms remain in "no hire no fire" mode with job creation also remaining moderate.

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.31	-1
6.48% GS 2035* (10Y)	6.59	1
6.68% GS 2040*	6.99	-1
1-Month T-bill	5.20	-5
3-Month T-bill	5.27	-7
6-Month T-bill	5.37	-5
12-Month T-bill	5.52	3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	132	59	118	68
AA	228	159	215	161
A	413	351	409	356

Source: FIMMDA, as on 29 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	8.45	
SOFR	3.71	

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	85,221	0.6
NIFTY	26,130	0.7
NASDAQ	23,242	-0.8
S&P 500	6,846	-0.7
Nikkei 225	50,339	0.0
Euro Stoxx 50	5,791	-0.1

Source: Google Finance, Investing.com

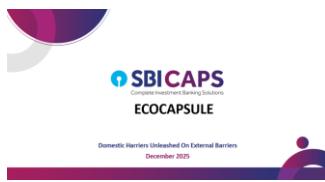
Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	60.9	-0.7
Natural gas Nymex (USD/MMBtu)	3.7	-6.6
Gold Comex (USD/t oz.)	4,341.1	-0.5
Copper Comex (USD/lb)	568.2	-0.8
Wheat cbot (USD/bu.)	507.0	-0.6

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	89.88	0.1
GBP/ INR	120.97	0.1
EUR/ INR	105.46	0.1
EUR/USD	1.17	0.0
DXY Index	98.24	0.0

Source: Morningstar, Bloomberg, Marketwatch

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Details of Research Analysts

Name	Rajan Jain	Name	Siddharth Sarma
Qualification	PGDBA	Qualification	MBA
Designation	Head- Credit Research	Designation	Senior Associate

Details of Research Analyst entity

Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

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