

23 January 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.24	-1
US 2Y*	3.60	1
Germany 10Y	2.89	1
UK 10Y	4.47	1
Japan 10Y	2.22	-3

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.39	-2
6.48% GS 2035* (10Y)	6.64	-2
6.68% GS 2040*	7.08	-3
1-Month T-bill	5.15	0
3-Month T-bill	5.46	-2
6-Month T-bill	5.63	-1
12-Month T-bill	5.67	-3

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	140	92	184	89
AA	236	186	275	177
A	425	377	469	375

Source: FIMMDA, as on 21 Jan, 2026

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	3.63

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,307	0.5
NIFTY	25,290	0.5
NASDAQ	23,436	0.9
S&P 500	6,913	0.5
Nikkei 225	53,689	1.7
Euro Stoxx 50	5,956	1.2

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	64.6	-1.0
Natural gas Nymex (USD/MMBtu)	5.0	-4.9
Gold Comex (USD/t oz.)	4,961.8	3.6
Copper Comex (USD/lb)	583.3	0.8
Wheat cbot (USD/bu.)	515.5	1.2

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	91.62	-0.1
GBP/ INR	123.51	0.5
EUR/ INR	107.44	0.5
EUR/USD	1.17	0.5
DXY Index	98.36	-0.4

Source: Morningstar, Bloomberg, Marketwatch

Key event

India: G-Sec Auction; **Flash PMI Jan'26:** India, US, Eurozone; **Japan:** Policy Decision, CPI Dec'25

Domestic

Fiscal deficit target to be supported by underutilized funds from Ministries (Source: ET): According to media sources, Union is likely to save Rs. 700 bn to Rs. 750 bn in FY26BE as several key Ministries and welfare schemes underutilize allocated funds, providing fiscal headroom to offset potential shortfall in tax receipts.

DLI scheme likely to be reworked (Source: ET): As per media sources, the Union's proposed Design Linked Incentive (DLI) scheme 2.0 for semiconductor and chip design companies is expected to shift from a reimbursement-oriented structure to one in which the government has a stake – on either equity, debt, or hybrid instruments. The scheme will also try to keep the developments so made in Indian control.

VRR and OMO auctions conducted successfully (Source: RBI):

- 5-day VRR worth Rs. 500 bn was auctioned, with bids received worth Rs. 640 bn at cut-off rate of 5.26%
- RBI purchased G-Sec worth Rs. 500 bn under OMO auctions. Notably, 6.67% GS 2035 worth Rs. 200 bn was accepted at cut-off rate of 6.7613%, 7.10% GS 2029 worth Rs. 136 bn was accepted at 6.0572% and 7.57% GS 2033 worth Rs. 107 bn was accepted at 6.5715%

International

US GDP growth revised upwards in Q3CY25 (Source: US BEA): US real GDP rose 4.4% q/q saar in Q3CY25, revised upwards 0.1pp, after growing 3.8% in Q2, driven by upwards revisions to investments and exports. Notably, consumer spending rose 3.5% while investments rose 0.03% in Q3, after degrowing in previous quarters.

US PCE remains stubbornly above target in Nov'25 (Source: US BEA): US PCE rose 2.8% y/y in Nov'25, same as Oct'25, with rebounding goods prices slightly offset by cooling services inflation. Core PCE ticked up at 2.8% y/y in Nov'25 from 2.7% y/y in Oct'25, driven by financial services, healthcare and recreational goods.

Japan holds policy rate to assess impact of previous hikes (Source: BoJ, Bloomberg):

- BoJ held its benchmark policy rate at 0.75%, as expected
- BoJ expects growth at 0.9% y/y in FY2025 [year ending 31 Mar'26] (+0.2pp), 1% in FY2026 (+0.3pp) and 0.8% in FY2027 (-0.2pp)
- No changes were made to CPI forecast with the same expected to fall in range by FY2026.

Japan's inflation cools considerably in Dec'25 (Source: Bloomberg): Japan's CPI cooled to 2.1% y/y from 2.9% in Nov'25, driven by 3.1% y/y fall in energy prices due to fuel subsidies, offset by rise in food and services. CPI excluding food and energy rose 2.9% in Dec'25 (Nov: 3%) reflective of underlying price pressures

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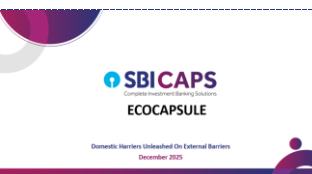


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Details of Research Analysts

<u>Name</u>	Venkatesh Balakrishnan	<u>Name</u>	Siddharth Sarma
<u>Qualification</u>	PGDM	<u>Qualification</u>	MBA
<u>Designation</u>	Head- Credit Research	<u>Designation</u>	Senior Associate

Details of Research Analyst entity

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

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