

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.26	1
US 2Y*	3.57	0
Germany 10Y	2.84	-2
UK 10Y	4.51	-3
Japan 10Y	2.23	0

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.40	-3
6.48% GS 2035* (10Y)	6.70	0
6.68% GS 2040*	7.09	-3
1-Month T-bill	5.07	1
3-Month T-bill	5.47	-1
6-Month T-bill	5.63	-4
12-Month T-bill	5.72	0

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	129	92	206	80
AA	225	186	297	168
A	414	377	491	366

Source: FIMMDA, as on 28 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	3.64

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	82,566	0.3
NIFTY	25,419	0.3
NASDAQ	23,685	-0.7
S&P 500	6,969	-0.1
Nikkei 225	53,376	0.0
Euro Stoxx 50	5,892	-0.7

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	70.0	1.2
Natural gas Nymex (USD/MMBtu)	3.9	1.3
Gold Comex (USD/t oz.)	5,293.3	-4.8
Copper Comex (USD/lb)	606.6	-1.8
Wheat cbot (USD/bu.)	539.5	0.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	91.96	0.2
GBP/ INR	126.34	-0.6
EUR/ INR	109.37	-0.6
EUR/USD	1.19	-0.7
DXY Index	96.28	-0.2

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: Fiscal Balance Dec'25, Sectoral Deployment of Bank Credit Dec'25, G-sec & VRR Auctions; **GDP CY25:** Eurozone, Canada, Mexico; **Germany:** CPI Jan'26; **US:** PPI Dec'25

Domestic

Economic Survey prioritises domestic engine for future growth (Source: Ministry of Finance): Highlights of the Economic Survey FY26:

- Real GDP growth is expected to be between 6.8%-7.2% y/y in FY27. Emphasis was placed on self-reliance as a policy instrument, with a strategic tiered focus factoring urgency and feasibility. Immediate focus areas are fertiliser inputs, APIs, telecom gear, power electronics, oils and pulses, and industrial chemicals
- Inflation is unlikely to be a concern in FY27, though it will be higher than in FY26. Precious metal prices could stay high amid global risks
- Coordination effort to rationalising taxation of debt instruments and revision of investment guidelines for long-term funds
- Concerns were flagged over fiscal populism in States, especially unconditional cash transfers expected at Rs. 1.7 trn in FY26
- A new approach towards divestment in CPSEs with change in definition of 'government company' to include those with 26% stake

OMO auction conducted by the Central Bank (Source: RBI): Rs. 500 bn of Union G-secs were purchased (with offers worth Rs. 807.8 bn from participants). The purchases papers included 3- to 27- year tenors, with largest amount accepted for 7-year paper.

Kerala State Budget presented by FM (Source: Government of Kerala): Highlights of the Budget:

- Revenue receipts are expected to increase by 33% y/y in FY27BE vs. FY26RE to Rs. 1.83 trn based on a surge forecast in Union transfers
- Total expenditure is estimated to increase 24.7% y/y to Rs. 2.39 trn in FY27BE, driven by an increase in revex due to sizeable pension and salaries. Capex remains a small portion of total expense at Rs. 223 bn with projects such as a rare-earth corridor, defence corridor, and RRTS (Trivandrum to Kasargod) in the pipeline
- Consequently, fiscal deficit Rs. 554 bn is estimated for FY27BE (FY26RE: Rs. 539 bn, FY26BE: Rs. 450 bn). As a share of nominal GDP, it is expected at 3.40% in FY27BE, easing from 3.78% in FY26RE
- Borrowings of Rs. 554 are expected in FY27BE to finance the deficit, of which market loans will be Rs. 449 bn (up 6% y/y)

International

US trade deficit reached a 34-year high in Nov'25 (Source: US BEA, CNBC): Overall trade deficit printed USD 56.8 bn in Nov'25, which is up 94.6% m/m. This was due to a 3.6% decline in exports being met with a 5.0% rise in imports. There was a spike in deficit with the EU and China. For 11MCY25, deficit was up 4% y/y to USD 839.5 bn.

S. Africa and Sweden keep rate on hold (Source: SARB, Riksbank):

- S. Africa kept its repo rate at 6.75% in a split decision amid inflation and global risks
- Sweden maintained its policy rate at 1.75% with no changes ahead

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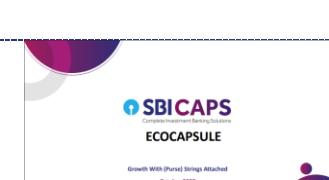
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