

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.19	2
US 2Y*	3.47	0
Germany 10Y	2.90	5
UK 10Y	4.53	6
Japan 10Y	2.05	0

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.33	2
6.48% GS 2035* (10Y)	6.61	2
6.68% GS 2040*	7.02	2
1-Month T-bill	5.25	3
3-Month T-bill	5.19	-13
6-Month T-bill	5.34	-8
12-Month T-bill	5.51	0

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	108	70	130	45
AA	208	168	225	134
A	394	360	418	330

Source: FIMMDA, as on 01 Jan, 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	3.87

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	85,762	0.7
NIFTY	26,328	0.7
NASDAQ	23,235	0.0
S&P 500	6,858	0.2
Nikkei 225	50,339	0.0
Euro Stoxx 50	5,850	1.0

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	60.8	-0.5
Natural gas Nymex (USD/MMBtu)	3.6	0.0
Gold Comex (USD/t oz.)	4,329.6	-1.0
Copper Comex (USD/lb)	569.2	-0.9
Wheat cbot (USD/bu.)	506.5	-0.1

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	90.20	0.3
GBP/ INR	121.17	-0.1
EUR/ INR	105.43	0.0
EUR/USD	1.17	-0.4
DXY Index	98.43	0.1

Source: Morningstar, Bloomberg, Marketwatch

Key events

India: VRR, OMO Auctions; **China:** Services PMI Dec'25; **Japan:** Manufacturing PMI Dec'25

Domestic

RBI releases indicative calendar for SGS borrowings by States **(Source: RBI):** SGS worth Rs. 5 trn are proposed to be auctioned in Q4FY26 (Q3FY26A: Rs. 2.5 trn, Q4FY25A: Rs. 4.3 trn) through weekly auctions. Notably, largest borrowers according to indicative calendar are Karnataka (Rs. 930 bn), Maharashtra (Rs. 510 bn), and Tamil Nadu (Rs. 510 bn), accounting for ~50% of total issuances in Q4FY26.

MPC member deliberates on future rate actions **(Source: BS):** Mr. Kumar enunciated that benign inflationary situation and quick transmission of previous rate cuts has been providing policy space but thinks that prevailing inflation rate might be too low to be comfortable

Manufacturing activity expands at a robust yet softer pace in Dec'25 **(Source: S&P Global):** Manufacturing PMI stood at 55 in Dec'25 (Nov: 56.6), its lowest in 2 years, albeit above long-term average of 52.9, underpinned by sharp rise in new business intakes, production and negligible inflation, despite softer growth in exports.

Coal production displays robust rise in Dec'25 **(Source: PIB):** Coal production from captive and commercial mines rose 5.8% y/y to 19.5 mn tonnes. On YTD basis, production rose 9.8% y/y to 144 mn tonnes in 9MFY26, while dispatches rose 7% y/y to 148.2 mn tonnes

International

Global manufacturing seeks demand boost **(Source: S&P Global):**

- Global PMI inched down to 50.4 in Dec'25, with rising output despite flattish new orders, low export orders, amidst rising inflation
- US manufacturing PMI rescinded to 51.8 in Dec'25 (Nov: 52.2), amidst new order and export contraction due to higher inflation
- Eurozone manufacturing PMI fell to 9-month low 48.8 in Dec'25, with 1 year high contraction in new orders and 16-month high inflation
- Japan manufacturing PMI returned to a neutral 50 in Dec'25, as stabilized output and soft fall in new orders lead to business optimism

US Fed official holds back on rate cut bets **(Source: Bloomberg):** Ms Paulson advocated for modest rate adjustments in CY26 with moderating inflation, stabilizing labour markets and growth revival

OPEC+ keeps oil output steady amidst geopolitical factors **(Source: Reuters):** OPEC+ kept oil output unchanged as oil markets continue to be dictated by geopolitical rifts across member nations and sliding oil prices in CY25.

China services activity expands in Dec'25 **(Source: S&P Global):** China services PMI eased slightly to 52 in Dec'25 (Nov: 52.1) with renewed domestic demand leading to rise in new orders and business activity, despite sharp cuts in employment due to cost pressures from anti-involution and ongoing restructuring efforts. Pricing dynamics continue to expose weak demand in Dec'25.

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