09 February 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.22	4
US 2Y*	3.50	4
Germany 10Y	2.84	0
UK 10Y	4.51	-5
Japan 10Y	2.26	6

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.35	6
6.48% GS 2035* (10Y)	6.74	9
6.68% GS 2040*	7.17	8
1-Month T-bill	4.66	1
3-Month T-bill	5.31	0
6-Month T-bill	5.54	0
12-Month T-bill	5.64	5

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	118	91	71	73
AA	217	183	161	158
A	402	373	354	356

Source: FIMMDA, as on 05 Feb, 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	8.40
SOFR	3.65

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	83,580	0.3
NIFTY	25,694	0.2
NASDAQ	23,031	2.2
S&P 500	6,932	2.0
Nikkei 225	54,254	0.8
Euro Stoxx 50	5,998	1.2

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	67.6	-0.1
Natural gas Nymex (USD/MMBtu)	3.2	-8.3
Gold Comex (USD/t oz.)	4,996.2	3.3
Copper Comex (USD/lb)	586.7	1.6
Wheat cbot (USD/bu.)	528.0	-1.1

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	90.67	0.3
GBP/ INR	123.03	0.6
EUR/ INR	105.80	-0.5
EUR/USD	1.18	0.3
DXY Index	97.63	-0.2

Source: Morningstar, Bloomberg, Marketwatch

Key Events

None

Domestic

Central Bank keeps status quo on rates (Source: RBI): Highlights:

- The Committee decided unanimously to maintain repo rate down to 5.25%, with no changes made to the SDF and MSF rates. The stance was also retained at "Neutral" by a similar 5-1 margin
- CPI projection for FY26 was revised upward by 0.1pp to 2.1% y/y due to rise in Q4FY26 by 0.3pp. Projection for Q1FY27 is now 4.0% (earlier: 3.9%) and Q2FY27 is 4.2% (earlier: 4.0%)
- Real GDP projection for FY26 is now 7.4% y/y (earlier: 7.3%), with 0.2pp upward revisions to Q1FY27 and Q2FY27 to 6.9% and 7.0% respectively
- Measures to ease credit flow were announced. Draft directions for allowing banks to lend to REITs will be floated soon, with collateral free lending limit for MSEs doubled to Rs. 2 mn

For additional details, please refer to our note titled "SBICAPS Report on RBI MPC Feb'26: The Art of Doing Nothing - Status Quo For Longer?"

Text of Interim Trade Agreement between India and US revealed (Source: White House, PIB, Mint, ToI): Highlights:

- India will eliminate or reduce tariffs on all US industrial goods and a wide range of US food and agricultural products including dried distillers' grains, red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits and additional products
- India intends to purchase USD 500 bn of US energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years
- US will apply a reciprocal tariff of 18% on Indian textile and apparel, leather and footwear, plastic and rubber, organic chemicals, home décor, artisanal products, and certain machinery
- US will remove tariff on generic pharmaceuticals, gems and diamonds, aircraft products etc.
- Sector specific tariffs of 50% imposed under Section 232 on steel, copper, and aluminium will continue. On auto components, existing 25% tariff will be eliminated on only half the import volume

India is expected to gain zero-duty access for goods worth ~USD 44 bn, nearly half of its goods exports to US, as per Indian Commerce Minister

Risk-based Premium Framework for Deposit Insurance issued (Source: RBI): The framework envisages two models – Tier 1 (for SCBs other than RRBs) and Tier 2 (for RRBs and cooperative banks). While both models will factor in quantitative assessment (CAMELS parameters) and potential loss to Deposit Insurance Fund (DIF) in case of failure of insured banks, Tier 1 model will additionally factor supervisory ratings. The same is applicable from 1 Apr'26.

E-way bills rocket to second-highest level in Jan'26 (Source: The Hindu Businessline): E-way bills clocked 1.368 mn in Jan'26, up 16% y/y. This augurs well for collections in Feb'26. The figure is ~1% below the peak of 1.384 mn.

Continued…

The Daily Digest

International

US Fed remains a divided house on rates (Source: Reuters): Ms. Daly sees vulnerabilities in the labour market and room to cut interest rates. At the same time, Mr. Jefferson was unconcerned about jobs, remaining optimistic about the economy.

Russia posts higher growth than IMF projection in CY25 (Source: Trading Economics): In real terms, the Russian economy expanded by 1% y/y, well below 4.9% clocked in CY24. Manufacturing output expanded by 3.9%, offsetting the 1.7% decline in that of extractive industries.

Europe extends tariff suspension for US goods (Source: Reuters): The EU is suspending tariffs on EUR 93 bn of US imports for a further six months in light of easing relations between the bloc and its counterpart across the pond.

Germany posts better than expected trade surplus in Dec'25 (Source: Destatis): Exports surged 4% y/y, while imports rose by a slower 1.4%, though both exceeded estimates. This led to a trade surplus of EUR 17.1 bn. For CY25, exports were up 1% y/y, while imports were up 4.4%, to post a trade surplus of EUR 202.8 bn.

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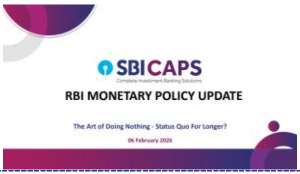

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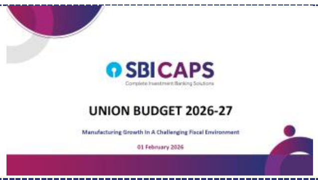

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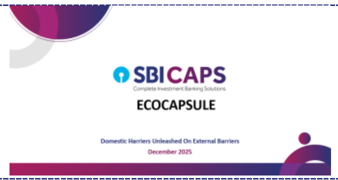

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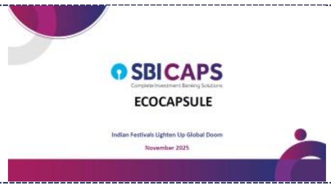

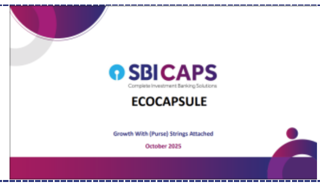

SBICAPS Monthly EcoCapsule: Growth With (Purse) Strings Attached

October 2025

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