18 February 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.06	3
US 2Y*	3.43	3
Germany 10Y	2.74	-1
UK 10Y	4.37	-3
Japan 10Y	2.10	-6

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.27	-3
6.48% GS 2035* (10Y)	6.66	0
6.68% GS 2040*	7.06	0
1-Month T-bill	4.55	-7
3-Month T-bill	5.32	1
6-Month T-bill	5.43	1
12-Month T-bill	5.56	2

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	109	85	67	68
AA	205	173	153	152
A	396	363	345	347

Source: FIMMDA, as on 16 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	3.66

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	83,451	0.2
NIFTY	25,725	0.2
NASDAQ	22,578	0.1
S&P 500	6,843	0.1
Nikkei 225	56,566	-0.4
Euro Stoxx 50	6,022	0.7

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	67.5	-1.3
Natural gas Nymex (USD/MMBtu)	3.0	-1.9
Gold Comex (USD/t oz.)	4,916.8	-1.4
Copper Comex (USD/lb)	574.1	-0.9
Wheat cbot (USD/bu.)	544.8	0.5

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	90.68	0.0
GBP/ INR	122.87	-0.5
EUR/ INR	107.28	-0.1
EUR/USD	1.18	0.0
DXY Index	97.16	0.2

Source: Morningstar, Bloomberg, Marketwatch

Key Events

India: T-bill Auction; **US:** FOMC Minutes, Housing Starts Dec'25, Durable Goods Orders Dec'25, Industrial Production Jan'26; **Japan:** Trade Balance Jan'26; **CPI Jan'26:** UK, France, S. Africa

Domestic

Central Bank proposes a wider forex toolkit for banks (Source: RBI, ET): Under the draft framework, Authorised Dealer Category-I (AD Cat-I) banks will be allowed to borrow overseas in foreign currency upto higher of 100% of tier-1 capital or USD 10 mn, with approval needed beyond this. Standalone Primary Dealers can borrow from parent or overseas banks within prescribed limits. AD Cat-I banks may also now be allowed to undertake non-deliverable INR derivative contracts if the bank or its parent has an operational IFSC unit. Changes in exchange-traded currency derivatives and deposit rules are amongst others.

States urged to reach their financial goals for FY26 (Source: ET): As per media sources, the Union Department of Expenditure is reaching out to States to fast-track pending proposals and clear pending projects under the SACSI scheme. As on 10 Feb'26, Rs. 1.04 trn had been released, well short of the Rs. 1.44 trn envisaged for FY26. Top beneficiaries in FY26 were UP, MP, and Rajasthan.

Tamil Nadu tables interim State Budget for FY27 (Source: Government of Tamil Nadu): Highlights:

- Revenue receipts are estimated at Rs. 3.44 trn for FY27BE (FY26RE: Rs. 3.10 trn)
- Revenue expenditure is expected to only increase marginally by 3.8% to Rs. 3.93 trn in FY27BE vs. FY26RE. Higher outlays are envisaged for electricity subsidies, pensions, and education
- Capex is projected to surge by 15.8% y/y to Rs. 595.6 bn. Increase comes from outgo expected in JJM and Chennai Peripheral Ring Road
- Fiscal deficit in FY26RE is projected at 3.48% and is expected to return to 3.0% in FY27BE. This is expected to be financed from gross market borrowings of Rs. 1.52 trn in FY27BE (FY26RE: Rs. 1.49 trn)
- Nominal GSDP grew at 14.5% y/y in FY25, and is projected to grow at 15% per annum in FY26 and FY27

International

US policymakers remain divergent on rate trajectory (Source: CNBC):

- US Fed's Mr. Barr said that it is appropriate to hold rates for 'some time' amid inflation concerns. He added that AI could be inflationary. These sentiments were agreed to by Ms. Daly who felt that the inflation goal is yet to be achieved and called for deeper scrutiny of AI
- Mr. Goolsbee of the Chicago Fed differed, saying that 'several' rate cuts were possible if inflation gets on track to 2%

Soaring exports sink Japanese trade deficit in Jan'26 (Source: CNBC): Exports were up 16.8% y/y (forecast: 12.0%), while imports surprised by reducing by 2.5% y/y (forecast: gain of 3.0%), to result in a trade deficit of USD 7.5 bn. There was a sharp rise in outbound shipments to China, while shipments to US fell.

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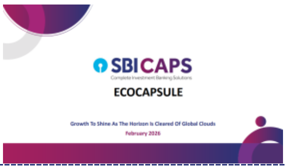

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