02 March 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	3.97	-3
US 2Y*	3.40	-2
Germany 10Y	2.64	-5
UK 10Y	4.23	-4
Japan 10Y	2.09	-3

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.23	-1
6.48% GS 2035* (10Y)	6.66	-3
6.68% GS 2040*	7.04	-1
1-Month T-bill	4.55	-23
3-Month T-bill	5.24	-3
6-Month T-bill	5.41	-5
12-Month T-bill	5.51	-4

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	92	97	66	62
AA	188	185	152	146
A	379	375	344	341

Source: FIMMDA, as on 26 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	8.45
SOFR	3.67

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	81,287	-1.2
NIFTY	25,179	-1.2
NASDAQ	22,668	-0.9
S&P 500	6,879	-0.4
Nikkei 225	58,850	0.2
Euro Stoxx 50	6,138	-0.4

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	76.6	8.6
Natural gas Nymex (USD/MMBtu)	2.9	2.1
Gold Comex (USD/t oz.)	5,342.0	2.5
Copper Comex (USD/lb)	604.3	0.0
Wheat cbot (USD/bu.)	589.5	2.1

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	90.98	0.1
GBP/ INR	122.79	0.1
EUR/ INR	106.54	-0.7
EUR/USD	1.18	-0.1
DXY Index	97.61	-0.2

Source: Morningstar, Bloomberg, Marketwatch

Key Events

India: IIP Jan'26, Switch Auction; **Manufacturing PMI Feb'26:** India, US, Eurozone; **Germany:** Retail Sales Jan'26; **GDP CY25:** Turkey, Poland

Domestic

GDP surprises on the upside in Q3FY26, strong growth predicted for FY26 (Source: MoSPI, BS): Highlights:

- Real GDP growth for FY26 is estimated at 7.6% y/y as per SAE, 20bps higher than FAE. Notably, the CEA said that Economic Survey's new estimate for real GDP in FY27 is 7-7.4%
- Manufacturing was the backbone of real growth in FY24 (12.7%), FY25 (9.3%), and FY26 (11.5%) as per the new series. Services activity was also robust (FY26: 9.0%)
- Based on real expenditure, PFCE is set to grow at 7.7% in FY26, closely followed by GFCF (7.1%). GFCE continued its recovery in FY26
- Nominal GDP growth is forecast at 8.6%. Annual nominal GDP for FY26 is estimated at Rs. 345 trn, well below Rs. 357 trn as per FAE
- Real GDP in Q3FY26 grew at 7.8% y/y (forecast: 7.2%). Services GVA maintained steam and clocked 9.5% y/y in Q3FY26. GFCF maintained its pace in Q3FY26

For more details, please refer to our Report on GDP titled "New Series Inaugurates Higher Growth"

Fiscal deficit remains in check in 10MFY26 (Source: CGA, CEIC):

- Gross tax revenue is up 8.6% y/y to Rs. 32.4 trn, with net tax revenue up 10.0% to Rs. 20.9 trn (78.3% of FY26RE). Non-tax revenue is up 19% to Rs. 5.6 trn (83.5% of FY26RE)
- RevEx was flattish on year at Rs. 28.5 trn. CapEx was up a healthy 11% to Rs. 8.4 trn, reaching 76.9% of FY26RE. Expenditure on Railways was up 7% and Roads was up 3%
- Fiscal deficit printed Rs. 9.8 trn, down 16% y/y. This was at 63.0% of FY26RE

High-frequency indicators maintain momentum in Feb'26 (Source: ET, CEIC, Hans India):

- Gross GST collections rose 8.1% y/y to Rs. 1.83 trn, with net revenue growing slower to reach Rs. 1.61 trn. Import revenue rose impressively by 17.2% to Rs. 478 bn with domestic revenue rising by only 5.3%
- Electricity supply was 133 BU, up 1.9% y/y. IEX saw a spike in scheduled volume by 21.5% y/y to 6.5 TWh with power prices average Rs. 3.58/unit during the month
- PV registrations saw a handsome 25.3% y/y rise to 385k vehicles. Other categories such as 2W, 3W, and CV also did well
- UPI saw 27% y/y growth in transaction count with 22% gain in value to Rs. 26.8 trn

Bank credit starts CY26 on a high note despite higher lending rates (Source: RBI):

- Non-food bank credit growth touched 14.4% y/y in Jan'26
- Credit to industry spiked 12.1% with traction to MSMEs. Large industry credit growth was slow at 3.8%. Handsome upticks was seen in gems & jewellery and all engineering
- Credit growth to services clocked a meteoric 15.5%, supported by NBFCs. Personal loan credits also grew by 14.9%

Continued…

- WALR (fresh) stood at 8.67% in Jan’26 (Dec’25: 8.28%) and MCLR was higher by 5bps m/m to 8.45%
- WADTDR (fresh) was down 1bps m/m to 5.66%, while WADTDR (o/s) was down 4bps to 6.64% in Jan’26

International

Geopolitical bedlam once again as US-Israel axis attacks Iran (Source: Reuters, BBC):

- Extensive strikes were carried out by both parties in the region, with physical infrastructure across Iran and Gulf Countries destroyed. The Supreme Leader of Iran, Mr. Khamenei was killed. The attacks have invited widespread calls for peace from key powers such as China, Russia, and India.
- Traffic across the Strait of Hormuz has been disrupted, which is expected to have impact on oil supply. In response, OPEC+ agreed to an output boost of 206 kbpd, with Saudi Arabia and UAE increasing exports. Even so, oil prices jumped significantly

US PPI higher than forecast in Jan’26 (Source: US BLS): PPI printed an expansion of 2.9% y/y (estimate: 2.6%, Dec’25: 3.0%). Sequentially, an increase of 0.5% m/m (seasonally adjusted) was recorded. The monthly increment can be traced to services inflation, especially trade services and transportation. Lower fuel prices curbed the headline.

Japanese manufacturing jubilant in Feb’26 (Source: S&P Global): Manufacturing PMI hit a 45-month high of 53.0 (Jan’26: 51.5). Business conditions strengthened across the investment and intermediate goods industries but stagnated at makers of consumer goods. A robust increase in manufacturing production was seen with output expanding at the fastest rate in over 4 years.

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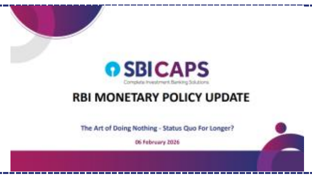

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