04 March 2026

The Daily Digest

SBICAPS Complete Investment Banking Solutions

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.06	-1
US 2Y*	3.51	2
Germany 10Y	2.75	4
UK 10Y	4.47	10
Japan 10Y	2.10	-2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.01% GS 2030*	6.25	2
6.48% GS 2035* (10Y)	6.68	2
6.68% GS 2040*	7.07	2
1-Month T-bill	4.84	29
3-Month T-bill	5.22	-2
6-Month T-bill	5.42	1
12-Month T-bill	5.54	3

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	105	81	59	54
AA	197	169	146	139
A	390	359	332	333

Source: FIMMDA, as on 27 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	3.71

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	80,239	-1.3
NIFTY	24,866	-1.2
NASDAQ	22,517	-1.0
S&P 500	6,817	-0.9
Nikkei 225	56,279	-3.1
Euro Stoxx 50	5,772	-3.6

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	82.5	3.3
Natural gas Nymex (USD/MMBtu)	3.0	-1.3
Gold Comex (USD/t oz.)	5,194.5	-2.5
Copper Comex (USD/lb)	589.3	-0.8
Wheat cbot (USD/bu.)	575.8	-0.4

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	91.48	0.0
GBP/ INR	122.79	0.0
EUR/ INR	106.80	-0.3
EUR/USD	1.16	-0.6
DXY Index	99.05	0.7

Source: Morningstar, Bloomberg, Marketwatch

Key Events

India: T-bill Auction; **Manufacturing PMI Feb'26:** Global, China; **Services PMI Feb'26:** India, China, Eurozone; **GDP CY25:** Australia, S. Africa; **US:** ADP Private Payroll Feb'26

Domestic

Current account deficit increases in Q3FY26 (Source: RBI):

- A CAD of USD 13.2 bn or 1.3% of nominal GDP was recorded in Q3FY26 (Q3FY25: USD 11.3 bn or 1.1% of nominal GDP). CAD for Q2FY26 was revised up to 1.5% of nominal GDP
- This was due to sharp rise in merchandise trade deficit by 18% y/y to USD 93.6 bn, which more than offset a rise in net services receipts
- For 9MFY26, CAD moderated to 1.0% of nominal GDP at USD 30.1 bn vs. 1.3% of GDP or USD 36.6 bn in 9MFY25
- The improved condition in 9MFY26 was due to better (net) services receipts, personal transfers, FDI, offset partially by FPI and goods

High-frequency indicators resilient in Feb'26 (Source: S&P Global, CEIC, PIB):

- Manufacturing PMI touched a 4-month high of 56.9 (Jan'26: 55.4) due to demand buoyancy and rising output, though exports suffered
- Fastag collections clocked Rs. 69.2 bn, up 4.9% y/y – the slowest rise since atleast Jun'21
- Captive and commercial coal mines recorded production of 20.5 mn tonnes, up 18.5% y/y. Despatches were at 17.7 mn tonnes

Industrial production remains moderate in Jan'26 (Source: PIB): The IIP recorded a growth of 4.8% y/y (forecast: 6.5%) helped by sustained recovery in the electricity sector which expanded 5.1%. Mining growth was middling while manufacturing grew close to the headline rate. Within manufacturing, momentum was seen in 'computer, electronic and optical products', 'basic metals', and 'motor vehicles, trailers and semi-trailers'. Based on use, there was traction in infrastructure goods. In 10MFY26, IIP is up 4.0%.

Landmark agreements signed with Canada (Source: BBC): Details:

- Canada and India agreed to conclude a free trade deal by end of CY26. Mr. Modi commented that they target USD 50 bn in trade
- Canada agreed to a long-term Uranium supply deal. As per this, Canada's Cameco will supply Uranium, and the deal is worth USD 2.6 bn. There will also be common work on SMR and advanced reactors

Country prepares for oil shock (Source: CNBC TV-18, Reuters): As per media quoting Government sources, India has 25 days stock of crude oil and petroleum products each. The country continues to receive 1.04 mbpd of crude oil from Russia. The expectation is that crude oil could trend at USD 82+/bbl over the next 10-15 days. LNG supply is 'very comfortable' over the next 2-3 weeks. However, gas supply to industries has been reduced post Qatar outage.

State Budget for Haryana presented (Source: News on Air, The Tribune): Total expenditure was set at Rs. 2.24 trn in FY27BE (10.3% above FY26RE). Capital expenditure is proposed at Rs. 282.1 bn. Fiscal deficit is expected to be Rs. 403 bn, which is 2.65% of nominal GSDP. Rs. 57.2 bn have been allocated to the Water Secure Haryana project.

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Green Hydrogen policy will be implemented. The budget also proposes the creation of a third DISCOM - Haryana Agri Discom. Additional bonus for growing pulses, oilseeds, and cotton has been proposed.

International

Global growth divergent in Feb'26 (Source: Xinhua, S&P Global):

- China's official manufacturing PMI signalled contraction, slipping to 49.0 (Jan:26: 49.2), with non-manufacturing PMI too dipping 0.2 points to 49.5. Caixin PMI indicated a directionally different with not only both manufacturing (52.1) and services (56.7) being expansionary, but also strengthening m/m
- US manufacturing growth was the weakest in 7 months with the PMI clocking 51.6 (Jan'25: 52.4). Production, output, and new orders all grew by a slower pace on high prices and tariffs
- Eurozone manufacturing PMI surged into expansion by clocking a 44-month high of 50.8 (Jan'25: 49.5). A fresh rise in new orders spurred factory production

Consumer inflation accelerates in Europe (Source: Eurostat): Euro area CPI is estimated at 1.9% y/y in Feb'26, up from 1.7% in Jan'26. The spurt was led by services (3.4%), followed by food, alcohol, and tobacco (2.6%), partially offset by benign energy prices. Inflation remained above area rate in Germany and Spain.

US Fed speakers weigh in on evolving geopolitics (Source: Reuters): Mr. Kashkari said the war obscures monetary policy, saying his confidence has diminished significantly. Mr. Schmid said that inflation has been target for nearly 5 years now and quashed any room for rate cuts. Mr. Williams disagreed, saying rate cuts are still possible.

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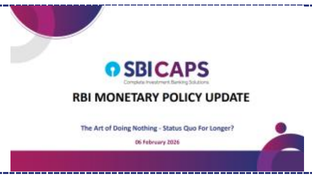

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