SBICAPS
Complete Investment Banking Solutions

05 March 2026

# The Daily Digest

| Foreign G-Sec Bond Yield | | |
|---|---|---|
| **G-sec** | **Yield (in %)** | **1D Change (bps)** |
| **US 10Y*** | 4.11 | 5 |
| **US 2Y*** | 3.55 | 4 |
| **Germany 10Y** | 2.75 | 0 |
| **UK 10Y** | 4.44 | -3 |
| **Japan 10Y** | 2.14 | 4 |

*Source: Bloomberg, *semi-annual*

| G-sec yield | | |
|---|---|---|
| **G- Sec** | **Yield (in %)** | **1D Change (bps)** |
| **6.01% GS 2030*** | 6.28 | 3 |
| **6.48% GS 2035* (10Y)** | 6.70 | 3 |
| **6.68% GS 2040*** | 7.10 | 4 |
| **1-Month T-bill** | 4.70 | -14 |
| **3-Month T-bill** | 5.31 | 9 |
| **6-Month T-bill** | 5.52 | 10 |
| **12-Month T-bill** | 5.59 | 5 |

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

| Spreads in bps for Corporates | | | | |
|---|---|---|---|---|
| **Annualized Spreads** | **3-year** | **5-year** | **7-year** | **10-year** |
| **AAA** | 113 | 98 | 67 | 60 |
| **AA** | 205 | 187 | 154 | 145 |
| **A** | 398 | 377 | 345 | 339 |

*Source: FIMMDA, as on 02 Mar, 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** | 3.70 |

*Source: RBI, Federal Reserve Bank of New York*

| Major Equity Indices | | |
|---|---|---|
| **Indices** | **Last** | **1D Change (%)** |
| **BSE SENSEX** | 79,116 | -1.4 |
| **NIFTY** | 24,481 | -1.5 |
| **NASDAQ** | 22,807 | 1.3 |
| **S&P 500** | 6,870 | 0.8 |
| **Nikkei 225** | 54,246 | -3.6 |
| **Euro Stoxx 50** | 5,871 | 1.7 |

*Source: Google Finance, Investing.com*

| Commodities Futures | | |
|---|---|---|
| **Commodities** | **Last** | **1D Change (%)** |
| **Brent Crude (USD/bbl)** | 83.5 | 1.2 |
| **Natural gas Nymex (USD/MMBtu)** | 3.0 | -1.3 |
| **Gold Comex (USD/t oz.)** | 5,190.1 | -0.1 |
| **Copper Comex (USD/lb)** | 593.9 | 0.8 |
| **Wheat cbot (USD/bu.)** | 570.8 | -0.9 |

*Source: Bloomberg*

| Exchange Rates | | |
|---|---|---|
| **Currency pair** | **Rate** | **1D Change (%)** |
| **USD/ INR** | 92.15 | 0.7 |
| **GBP/ INR** | 123.13 | 0.3 |
| **EUR/ INR** | 107.05 | 0.2 |
| **EUR/USD** | 1.16 | 0.2 |
| **DXY Index** | 98.77 | -0.3 |

*Source: Morningstar, Bloomberg, Marketwatch*

## Key Events

**US:** Trade Balance Jan’26, Factory Orders Jan’26, Challenger Job Cuts Feb’26; **Eurozone:** Retail Sales Jan’26

## Domestic

**Services sector remains strongly expansionary in Feb’26 (Source: S&P Global):** Services PMI printed 58.1, a whiff below Jan’26’s 58.5. Business activity growth was underpinned by efficiency gains, favourable underlying demand, rising sales and tech projects. Composite PMI was up to 58.9 in Feb’26 from 58.4 in Jan’26, a historically strong velocity.

**RBI could tighten the screws on NBFCs (Source: ET):** As per media reports, the RBI has questioned shadow banks lending to borrowers who have already defaulted, in their annual inspection. The Central Bank has spelt out that there should be a board-approved policy to justify new loans to a customer who earlier loan has become overdue even though it has not been tagged an NPA. This approach is likely to be applied to NBFCs with a net worth of atleast Rs. 2.5 bn.

**New UDAN policy could see a strategic shift (Source: The Hindu Businessline):** As per media sources, the revamped framework will focus on survival of ground infrastructure with a 3-year O&M support mechanism. The Rs. 300 bn outlay is designed to fund a 10-year roadmap. Rs. 180 bn is for aerodrome infrastructure with Rs. 120 bn for VGF. The new fund will follow tapering and use Challenge Mode.

## International

**China could bear with dimmer growth in CY26 (Source: Reuters):** The country set its real GDP growth target at 4.5-5% y/y, a downgrade to the 5% pace achieved last year. The 15th Five Year Plan also pledged investments in new age sectors and aimed for a notable increase in share of household consumption in output. China plans a budget deficit of 4% of GDP, with special debt issuance quota of Centre at CNY 1.3 trn and local government at CNY 4.4 trn.

**Tariffs could increase even as legal setbacks continue (Source: CNBC):** Mr. Bessent said that tariff could be upped to 15% from 10% in the current week. Meanwhile, a US Trade Court has ordered Federal authorities to begin issuing refunds of the tariff collected hitherto citing emergency powers.

**Global economic activity resilient in Feb’26 (Source: S&P Global):**

- Global manufacturing PMI rose to a near 4-year high of 51.9 (Jan:25: 50.9). Rapid growth ASEAN countries moved the gauge
- US services PMI remained expansionary, clocking 51.7, with new order growth. Composite PMI dropped on month to 51.9
- Eurozone services PMI clocked 51.9, edging up m/m, leading the composite PMI to 51.9. This was fuelled by private sector activity

**Europe to push for localisation of goods production (Source: Reuters):** As per media reports, the EC will unveil the Industrial Accelerator Act (IAA), which will set low carbon and ‘Made in Europe’ requirements for public procurement of, or subsidies for, making aluminium, cement, and steel, and key technologies.

# Our Recent Publications


**India: Q3FY26 GDP Update**
**New Series Inaugurates Higher Growth**

*February 2026*

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**SBICAPS Monthly EcoCapsule: Growth To Shine As The Horizon Is Cleared Of Global Clouds**

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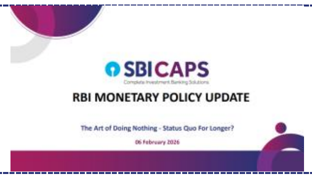


**RBI MPC: The Art of Doing Nothing – Status Quo For Longer**

*February 2026*

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**Union Budget 2026-27: Manufacturing Growth In Challenging Fiscal Environment**

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*January 2026*

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*January 2026*


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**RBI MPC: RBI Issues Festival Bonus For The Markets**

*December 2025*


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**India: Q2FY26 GDP Update**
**From Capex to Consumption: How Policy Initiatives Sparked a GDP Beat**
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