

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.19	6
US 2Y*	3.61	3
Germany 10Y	2.86	2
UK 10Y	4.63	9
Japan 10Y	2.21	6

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.01% GS 2030*	6.29	3
6.48% GS 2035* (10Y)	6.69	5
6.68% GS 2040*	7.10	4
1-Month T-bill	5.01	-19
3-Month T-bill	5.30	-1
6-Month T-bill	5.51	0
12-Month T-bill	5.60	2

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	119	100	66	65
AA	211	188	153	150
A	404	378	344	344

Source: FIMMDA, as on 05 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	3.66

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	78,919	-1.4
NIFTY	24,450	-1.3
NASDAQ	22,388	-1.6
S&P 500	6,740	-1.3
Nikkei 225	55,621	0.6
Euro Stoxx 50	5,720	-1.1

Source: Google Finance, Investing.com

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	113.9	35.0
Natural gas Nymex (USD/MMBtu)	3.4	14.8
Gold Comex (USD/t oz.)	5,097.7	-0.7
Copper Comex (USD/lb)	575.3	-1.8
Wheat cbot (USD/bu.)	635.5	8.5

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	91.75	0.2
GBP/ INR	122.62	0.1
EUR/ INR	106.58	0.2
EUR/USD	1.15	-0.9
DXY Index	98.99	-0.3

Source: Morningstar, Bloomberg, Marketwatch

Key Events

India: OMO auction; **China:** CPI, PPI Feb'26; **Germany:** Factory Orders Jan'26, Industrial Production Jan'26

Domestic

Measures to boost liquidity announced by Central Bank (Source: RBI): Union G-secs worth Rs. 1 trn in two tranches of Rs. 500 bn will be purchased on 09 Mar'26 and 13 Mar'26 by the RBI. On offer in the OMO are securities ranging in residual tenor from 4 to 27 years.

Bullet trains could see private play (Source: BS): As per media sources, the total cost of new high speed rail corridors announced in the Union Budget could be ~Rs. 16 trn. The Government is exploring awarding atleast one of these in the PPP mode. There is a suggestion that the Railways should look at a model where it provides land and private sector undertakes construction, operations, and maintenance.

Rush to complete capex as FY26 ends (Source: BS, The Hindu Businessline):

- Based on data for 23 States, only half the cumulative capex of Rs. 10.4 trn has been done in 10MFY26. 12 States have spent less than half their outlay including Maharashtra, Karnataka, UP, and Punjab
- For CPSEs, Rs. 7.4 trn vs. target of Rs. 7.47 trn for FY26 has been spent in 11MFY26, with Feb'26 alone seeing Rs. 720 bn expended. NLC, NTPC, and NHA have already exceeded their annual goals

Maharashtra presents State Budget for FY27 (Source: Government of Maharashtra): Highlights:

- Revenue receipts are expected to crawl up 2.4% y/y to Rs. 6.16 trn in FY27BE (over FY26RE). This is the result of a broad-based stagnation in state own tax revenue due to 30% discount on motor vehicle tax
- Revenue expenditure will remain flattish, up by 2.8% y/y to Rs. 6.57 trn. Rs. 50,000 incentive for farmers under a loan waiver scheme and continuation of Rs. 200 bn for solar power for farmers allocated
- Capital expenditure is estimated to decline 3.9% y/y to Rs. 1.13 trn. 1,000+ km of metro tracks and 6,000 km of 2-lane highways planned
- Fiscal deficit is expected to diminish slightly to Rs. 1.50 trn, which is 2.78% of nominal GSDP (FY26RE: 2.97%). This will be financed by gross borrowings of Rs. 1.73 trn, up only slightly on year in FY27
- Nominal GDP is forecast to grow by 6.0% y/y in FY27, below pace of 10.4% recorded in FY26

Karnataka presents State Budget for FY27 (Source: Government of Karnataka): Highlights:

- Revenue receipts are expected to increase to Rs. 3.15 trn in FY27BE, up 13.6% y/y from FY26RE. Increments are forecast in state own tax revenue and tax devolution
- Revenue expenditure is set for a healthy 11.6% y/y rise in FY27BE. Electricity subsidy of Rs. 192.9 bn and Rs. 105.8 bn for Gruha Jyothi scheme are planned
- Capital expenditure is estimated to rise 8.6% y/y to Rs. 845.7 bn. Rs. 70 bn has been allocated to infrastructure development in Bengaluru, with Rs. 30 bn for 450 km of roads. Construction of 40 km long tunnel road on BOOT model at an estimated cost of Rs. 400 bn is also planned

Continued...

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- Fiscal deficit is forecast to increase by 6.8% y/y to Rs. 974.5 bn in FY27BE, which is 2.95% of nominal GSDP – identical to FY26RE. This will be funded by Rs. 1.32 trn in gross borrowings, up 13.8% y/y
- Nominal GDP growth for FY27 is pegged at 6.9% y/y, well below 12.9% seen in FY26

Punjab presents State Budget for FY27 (Source: Government of Punjab): Highlights:

- Revenue receipts are expected to rise by 8.3% y/y to Rs. 1.26 trn in FY27BE (vs. FY26RE)
- Revenue expenditure is forecast at Rs. 1.48 trn in FY27BE, seeing a moderate increase of 3.2% y/y. Power subsidy for agriculture stands at Rs. 77.2 bn, with free power for domestic and industrial consumers costing the exchequer Rs. 57.7 bn and Rs. 20.6 bn respectively
- Capital expenditure is moderate at Rs. 183.8 bn, though showing a healthy 76.2% y/y rise in FY27BE. Rs. 23.3 bn has been allocated to road development, with a separate Rs. 76.1 bn for 19,876 km of rural link roads
- Fiscal deficit increased further to Rs. 399.7 bn, which is 4.08% of GSDP in FY27BE (FY26RE: 4.18%). This is expected to be financed by borrowings of Rs. 438.0 bn, which is down 10.1% y/y
- Nominal GSDP growth for FY27 is projected at 10.0% y/y in FY27, well above 6.2% achieved in FY26

International

Oil prices catch fire as war escalates (Source: Bloomberg): Brent crude oil price neared ~USD 110/bbl in early trade on 09 Mar'26, a ~20% increase d/d. This was owing to escalation of war in which Israel-US axis struck new targets. Further, POTUS announced the war might end only once Iran's military and rulers were wiped even as a new Ayatollah was appointed. In light of the oil shock, Mr. Bessent said the US could remove sanctions from more Russian oil.

US employment statistics show mild deterioration in Feb'26 (Source: US BLS): Non-farm payrolls edged down by 92k (Jan'26: gain of 126k), with losses above expectations. Employment in healthcare, information, and Federal government reduced. Unemployment rate was little changed, ticking up to 4.4% from 4.3%.

US retail sales suffer less than expected in Jan'26 (Source: US Census Bureau): Retail sales were down 0.2% m/m (forecast: 0.3% fall), though up 3.0% y/y. Non-store retailers were up 10.9% y/y, while food service and drinking places were up 3.9% y/y.

US Fed policymakers express their anxiety over policy (Source: Reuters):

- Ms. Hammack said that the US Fed must lower prices amid oil shock uncertainty. Ms. Collins too saw the policy rate being steady for some time
- Mr. Schmid admitted that hiring is on pause amidst AI advances though Ms. Daly interjected that risks remained two sided
- Mr. Waller declared that he doesn't expect the current oil prices to have a persistent impact on inflation

European growth suffered as CY25 ended (Source: Eurostat): Euro area real GDP expanded by 1.2% y/y in Q4CY25. Growth was strongest in Spain amongst major economies, even as Germany and France performed meekly. CY25 real GDP growth clocked 1.4% y/y.

Chinese consumer inflation hits 3-year high in Feb'26 (Source: CNBC): CPI rose 1.3% y/y, beating forecast of a 0.8% rise. Sequential inflation indicates momentum in prices. PPI slumped 0.9% y/y, though prices reduced less than expected.

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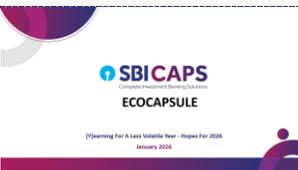


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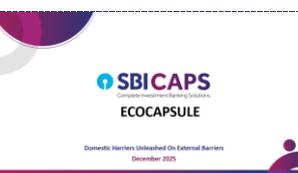


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