

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.48	0
US 2Y*	4.05	-2
Germany 10Y	3.02	-1
UK 10Y	4.90	-3
Japan 10Y	2.64	1

Source: Bloomberg, \*semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	6.80	-2
6.48% GS 2035* (10Y)	6.99	-3
6.68% GS 2040*	7.32	-2
1-Month T-bill	5.12	-8
3-Month T-bill	5.48	-7
6-Month T-bill	5.65	-12
12-Month T-bill	5.97	-1

Source: CCL, Bloomberg, \*semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	96	102	77	69
AA	179	186	162	156
A	365	375	353	350

Source: FIMMDA, as on 03 June, 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	8.65
SOFR	3.61

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	74,360	0.0
NIFTY	23,417	0.0
NASDAQ	26,831	-0.1
S&P 500	7,584	0.4
Nikkei 225	67,471	-1.4
Euro Stoxx 50	6,103	0.8

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	95.8	-1.0
Natural gas Nymex (USD/MMBtu)	3.4	3.7
Gold Comex (USD/t oz.)	4,468.4	-0.5
Copper Comex (USD/lb)	643.5	-0.1
Wheat cbot (USD/bu.)	581.5	-0.1

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	95.79	0.1
GBP/ INR	128.50	0.0
EUR/ INR	111.18	0.1
EUR/USD	1.16	0.1
DXY Index	99.41	-0.1

Source: Bloomberg, Morningstar, Marketwatch

## Key Events

**India:** Policy Rate, GDP FY26, G-sec Auction; **US:** Non-Farm Payrolls May'26, Unemployment Rate May'26; **Eurozone:** GDP Q1CY26; **CPI May'26:** Turkey, Thailand, Philippines

## Domestic

**Country considering steps to counter twin deficits (Source: ET):** As per media sources:

- Spending cuts are being considered for water resources and loans to States by the Union to maintain the path of fiscal consolidation. However, no cuts are likely for capex or defence
- The Government has constituted 6 sector specific working groups to identify as many as 100 products for promoting their domestic manufacturing and reducing import dependence. The groups are on pharmaceuticals, biotech and medical devices; chemicals and petrochemicals, textiles and footwear; capital goods, automotive and EV, advanced capital goods; energy; construction equipment and infrastructure, defence and aerospace; and electronics

**FDI investments surge in FY26 (Source: ET):** Equity FDI clocked USD 58.8 bn, which is up 18% y/y. There was a doubling of investments from the US, with generous inflows from Singapore too. In Q4FY26, equity FDI touched USD 11.0 bn. Total FDI, which includes equity inflows, reinvested earnings, and other capital, soared 17% y/y to USD 94.5 bn.

**Steel output sustains in May'26 (Source: PIB):** Crude steel production touched 14.2 mn tonnes, up 2.9% y/y. Finished steel production reached 13.9 mn tonnes, showing strong 7.7% growth. Finished steel consumption was 14.3 mn tonnes, indicating a strong offtake as this was a 9.0% rise. Demand was robust from construction, infrastructure, and manufacturing end-use segments. Domestic steel prices decreased sequentially in May'26 even as input prices rose.

## International

**US Fed officials plot their next move (Source: Reuters):** Mr. Schmid said that inflation has probably crept into the 3.5% range, and that the choice lies between hiking rates and status quo, ruling out rate cuts. Ms. Daly weighed in on inflation, citing tariffs, energy, and food prices as factors for the price rise, dismissing AI as not a pressing issue.

**US labour market remains solid despite higher claims (Source: Reuters):** Weekly jobless claims soared to a 4-month high, with initial jobless claims clocking 225k. However, this was associated with a public holiday, which tends to see higher claims, rather than underlying pressures. Continuing claims dropped during the week.

**Mr. Trump throws his weight behind coal-based energy (Source: BBC):** The POTUS directed USD 700 mn to support US coal power plants and ship the fuel to Asia. This will be in the form of USD 425 mn in upgrades to 13 coal-fired plants and USD 75 bn for a proposed West Gateway coal export terminal. USD 350 mn is also in store for four coal facility projects. He has used his emergency powers for this move.

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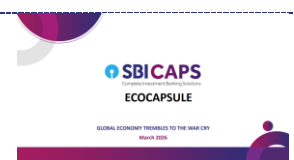
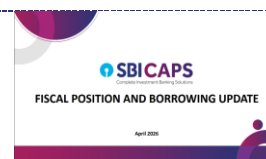


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