

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.47	4
US 2Y*	4.06	3
Germany 10Y	2.95	-4
UK 10Y	4.81	-2
Japan 10Y	2.59	2

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	6.47	-2
6.94% GS 2036* (10Y)	6.87	-3
6.68% GS 2040*	7.19	-2
1-Month T-bill	5.13	7
3-Month T-bill	5.27	7
6-Month T-bill	5.50	3
12-Month T-bill	5.82	-3

Source: CCL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	118	87	95	64
AA	201	171	180	151
A	387	360	371	345

Source: FIMMDA, as on 12 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	3.65

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	76,264	1.0
NIFTY	23,854	1.0
NASDAQ	26,684	3.1
S&P 500	7,554	1.7
Nikkei 225	69,318	5.0
Euro Stoxx 50	6,229	0.7

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	83.3	-0.5
Natural gas Nymex (USD/MMBtu)	3.2	2.9
Gold Comex (USD/t oz.)	4,331.6	-0.3
Copper Comex (USD/lb)	649.2	-1.8
Wheat cbot (USD/bu.)	597.3	0.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	94.72	-0.4
GBP/ INR	126.70	-0.7
EUR/ INR	109.64	-0.3
EUR/USD	1.16	-0.1
DXY Index	99.63	-0.2

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: SGS Auction; **Policy Rate:** Japan, Australia; **China:** Industrial Production, Fixed Asset Investment, Retail Sales May'26

Domestic

WPI on new series, PPI published for the first time (Source: PIB, OEA):

- Headline WPI printed 9.68% y/y in May'26 (Apr'26: 8.26%). The bloated print was due to a 30.3% rise in 'Fuel and Power', with large gains in oil and gas prices. Primary articles also saw rise in prices, though at a calmer rate of 5.0%. Dearness of manufactured products increased by 7.5%, with particular rise in prices of chemicals and textiles. Sequentially, WPI went ahead by 1.0% m/m
- Output PPI expanded by 9.38% y/y in May'26. Highest rise in prices (19.0%) was seen in 'Mining and Quarrying', followed by 'Manufactured Products' at 11.3%. Extraction of crude petroleum and natural gas, coke and refined petroleum products, mining of metal ores were activities to see high prices. Trial Input PPI and Services PPI were also published

Overall trade deficit expands in May'26 (Source: ANI):

- Merchandise exports hit a record high of USD 45.2 bn (up 18% y/y). However, merchandise imports jumped sharply to USD 73.4 bn (up 21%), which meant that the goods trade deficit was at USD 28.2 bn, near the level recorded in Apr'26
- Similarly, both services exports and imports showed an increase. This meant that overall trade deficit was at USD 10.5 bn (May'25: USD 6.8 bn), as overall imports outpaced exports

Vehicle sales remain strong in May'26 (Source: Fortune India, SIAM):

PV wholesales surged 27.3% y/y to 439k units during the month, while 2W sales rose 14.8% to 1.9 mn units. Scooters outperformed motorcycles. 3W volumes rose to 70.7k units, which is a handsome 31.1% up. These comprise the highest May sales ever, and the growth figures are helped by a low base.

Finance Minister comments on economic issues including foreign capital flows (Source: BS):

Ms. Sitharaman averred that recent measures taken were only the beginning of a series of steps. She admitted that the country remains dependent on imports. She said farmers' incomes could come under pressure if rainfall was deficient.

International

Japan raises rates as expected, reduces bond purchases (Source: BoJ):

The BoJ, by a 7-1 vote, decided to encourage the uncollateralised overnight call rate to remain around 1.0%. This implies a 25bps hike. The dissenter, Mr. Toichiro, wanted a status quo. The Committee commented that the economy had recovered moderately, and the risk of a significant slowdown stand diminished vis-à-vis 12 months ago. CPI is approaching 2%. Therefore, the BoJ will continue to raise the policy rate. In addition, the Bank decided to reduce the planned quantum of monthly purchases of JGB by JPY 200 bn/quarter until Jan'Mar'27, with amount from Apr'27 being JPY 2 trn.

Continued...

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US and Iran sign ceasefire agreement (Source: Reuters): The POTUS confirmed that a preliminary agreement to end the War has been signed by the US and Iran. This extends the ceasefire by another 60 days and reopens the Strait of Hormuz. US VP Mr. Vance said it included a very significant sanctions relief package for Iran.

Chinese indicators suggest moderation (Source: Xinhua, Reuters):

- Fixed asset investment was down 4.1% y/y in 5MCY26, much worse than a 2% fall expected and rapider than 1.6% fall in 4M
- Industrial output rose at a fair 4.5% y/y pace in May'26, slightly above forecast and accelerating from the previous month
- Retail sales fell 0.6% y/y in May'26, reversing Apr'26's rise and crushing the hope for flattish growth. This is the first fall since Dec'22

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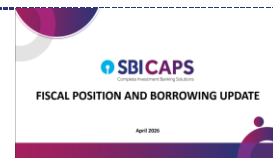
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Details of Research Analysts

<u>Name</u>	Venkatesh Balakrishnan
<u>Qualification</u>	PGDM
<u>Designation</u>	Head- Credit Research

Details of Research Analyst entity

<u>Name</u>	SBI Capital Markets Limited
<u>Registration Number</u>	INH000007429
<u>Address</u>	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
<u>Telephone Number</u>	+91 22 4196 8300
<u>Compliance Officer</u>	Bhaskar Chakraborty
<u>Email id</u>	compliance.officer@sbicaps.com
<u>Telephone Number</u>	+91 22 4196 8542

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