31 July 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.65	-4
US 2Y*	4.24	-4
Germany 10Y	3.15	-1
UK 10Y	4.98	-5
Japan 10Y	2.77	2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.44	1
6.94% GS 2036* (10Y)	6.81	2
6.68% GS 2040*	7.01	0
1-Month T-bill	5.18	-6
3-Month T-bill	5.31	-2
6-Month T-bill	5.59	1
12-Month T-bill	5.72	0

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	112	98	75	74
AA	193	180	158	159
A	374	366	344	345

Source: FIMMDA, as on 29 July, 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	8.50
SOFR	3.65

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	77,928	0.4
NIFTY	24,317	0.3
NASDAQ	25,122	2.8
S&P 500	7,438	1.7
Nikkei 225	61,867	0.7
Euro Stoxx 50	6,344	1.5

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	88.2	-1.5
Natural gas Nymex (USD/MMBtu)	2.8	1.1
Gold Comex (USD/t oz.)	4,144.6	0.3
Copper Comex (USD/lb)	648.9	1.3
Wheat cbot (USD/bu.)	659.0	-0.7

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.68	0.0
GBP/ INR	128.79	0.9
EUR/ INR	100.06	-8.6
EUR/USD	1.15	0.5
DXY Index	99.86	-1.0

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: Fiscal Balance, Sectoral Deployment of Bank Credit Jun'26, G-sec Auction; **Japan:** Policy Rate, Retail Sales Jun'26; **Eurozone:** CPI Jul'26; **China:** PMI Jul'26

Domestic

Directions on interest rate on deposits issued (Source: RBI): The final directions, as in the draft, allow banks to offer differential rates on bulk deposits. The condition with respect to run-off rates has been retained for LCR calculation. The RBI has now decided the date of implementation is from 1 Oct'26 and made certain clarifications with respect to time and mode of interest rate communication.

Central Bank issues final directions on Basel Pillar III Disclosures (Source: RBI): The final directions say that upto 31 Mar'29, Banks shall have till 7 days after disclosure of financial results to make Pillar 3 disclosures, post which both must be published concurrently. The date of implementation has also been extended from 30 Sep'26 to 1 Apr'27. Certain other clarifications have also been provided.

Healthy dividends could cushion fiscal impact (Source: The Hindu Businessline): Budget Estimates for 'dividend/surplus of the Reserve Bank of India, nationalised banks and financial institutions' are at Rs. 3.16 trn. Against this Rs. 3.24 trn has already been collected in YTDFY27 (as of 30 Jul'26). Disinvestment receipts have also been strong.

International

US economy disappoints in Q2CY26 (Source: Bloomberg): The US economy expanded 1.5% q/q saar in real terms, well below 2.1% pace expected. A decline in net exports masked strength in underlying demand. Consumer spending, which comprises about two-thirds of economic activity, rose at a 3.2% rate. Business investment continued to boom amid a rush to invest in artificial intelligence. Meanwhile, US Core PCE price index moved ahead by 3.3% y/y in Jun'26, leading to a below forecast reading for Q2CY26.

Japan keeps rates on hold (Source: BoJ): By an 8-1 majority, the members decided to keep the benchmark rate at 1.0%, with the dissenter voicing for a 25bps hike. Outlook on real growth is sunnier with forecasts for both FY2026 (ending 31 Mar'27) and FY2027 bumped by up 0.1pp each to 0.6% y/y and 0.8% respectively. At the same time, the chosen inflation metric is now expected to be softer than before in FY2026, albeit above target.

UK keeps policy rate on hold (Source: BoE): The BoE kept its key rate at 3.75% by a 6-3 vote. The statement read that inflation had fallen by more than expected to 2.6% y/y, though high and volatile energy prices due to the War are a risk and set to elevate prices later in CY26. The 3 dissenters voted for a 25bps increase, with Ms. Mann joining this camp from last time.

Continued…

The Daily Digest

Chinese factories produce less in Jul’26 (Source: CNBC): Official manufacturing PMI fell to 49.2 from 50.3 in Jun’26, missing economist forecast of sustained production. The losses were underpinned by a sharp drop in demand, with new orders sinking. The non-manufacturing PMI also sulked its way to contraction after printing 50.2 in Jun’26. At 49, this measure was at its lowest since Dec’22.

European output expands faster than expected in Q2CY26 (Source: Eurostat): The Euro Area grew by 1.0% y/y in real terms, double the pace pencilled in by forecasters and more than thrice the speed seen in Q1CY26. Growth was robust in Spain, with Germany and France underperforming. Sequentially, the euro area expanded 0.4% q/q, much faster than the stagnation witnessed in Q1CY26.

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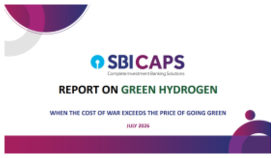

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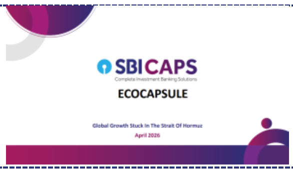

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