03 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.69	4
US 2Y*	4.25	1
Germany 10Y	3.20	5
UK 10Y	5.05	7
Japan 10Y	2.79	2

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.45	2
6.94% GS 2036* (10Y)	6.83	2
6.68% GS 2040*	7.02	2
1-Month T-bill	5.20	2
3-Month T-bill	5.32	1
6-Month T-bill	5.59	0
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	110	108	74	72
AA	191	190	157	157
A	372	376	343	343

Source: FIMMDA, as on 30 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	8.60
SOFR	3.65

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	78,095	0.2
NIFTY	24,384	0.3
NASDAQ	25,374	1.0
S&P 500	7,490	0.7
Nikkei 225	64,362	4.0
Euro Stoxx 50	6,358	0.2

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	83.4	-5.4
Natural gas Nymex (USD/MMBtu)	2.8	0.4
Gold Comex (USD/t oz.)	4,117.8	-0.6
Copper Comex (USD/lb)	654.1	0.8
Wheat cbot (USD/bu.)	635.3	-3.6

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.39	-0.3
GBP/ INR	128.05	-0.6
EUR/ INR	106.38	6.3
EUR/USD	1.15	0.1
DXY Index	99.73	-0.1

Source: Bloomberg, Morningstar, Marketwatch

Key Events

Manufacturing PMI Jul'26: India, China, Eurozone, Japan

Domestic

Fiscal deficit widens in Q1FY27 (Source: CGA, CEIC): Gross tax revenue growth was anaemic, rising 3.7% y/y to reach 20.5% of FY27BE in Q1. Fair traction in corporation taxes was partially offset by sagging excise collections and GST kitty impacted by a pre-rationalisation base. Net tax revenue was up a healthy 17.8% due to a sharp drop in transfer to States/UTs. Total expenditure was up 11.0% with capex surging 23.7% to Rs. 3.4 trn and meeting 27.8% of FY27BE. Fiscal deficit thus came in at Rs. 3.1 trn, reaching 18.2% of FY27BE.

Foreign flows simulated by RBI's measures (Source: RBI): Total mobilisation of forex inflows till 31 Jul'26 is USD 40.8 bn. Of this, USD 36.7 bn consists of FCNR(B) deposits, with USD 2.6 bn in OFCBs, and USD 1.5 bn in ECBs.

Union advances tax devolution to States (Source: ET): The Union released Rs. 1.09 trn in tax devolution to States. The 1 Aug'26 release is in addition to the regular monthly devolution on 10 Aug'26. Highest allocations were UP (Rs. 192.1 bn), Bihar (Rs. 108.5 bn), MP (Rs. 80.1 bn). The Union said it was to accelerate capital and developmental expenditure.

High frequency indicators show buzz in Jul'26 (Source: The Hindu, ET, CEIC):

- Gross GST collections, at Rs. 2.1 trn, were up 15.4% y/y. Revenue gains were led by imports which were up 29%, with domestic collections up 10%. Net GST revenue clocked Rs. 1.8 trn. In 4MFY27, gross collection was up 10.1%, with net up 9.2% to Rs. 7.2 trn
- Electrical energy supply surged 11.1% y/y. Demand growth was especially sharp in the South and North regions
- Final scheduled volume on IEX was down 7.8% y/y, with prices shooting up 19%. Supply remained constrained vs. demand
- Value of UPI payments conducted during the month was Rs. 29.9 trn, which was up 19.1% y/y
- Fastag collections were up 7.1% y/y to Rs. 71.4 bn, accelerating from 6.2% gain recorded the previous month
- As per media sources, PV sales are estimated at 465-570k, up 33% y/y. These were the best ever July sales
- PE-VC investments rose to USD 3 bn across 94 deals, up 85% from 95 deals in Jun'26. There was a decline on-year

Bank credit growth sustains strength in Jun'26 despite rising rates (Source: RBI):

- Non-food bank credit expanded by 18.3% y/y, accelerating further from 17.4% in May'26
- Industry credit rose by 19.2%. MSME was strong and large industry credit surged ahead by 16.6%. Sectors to see maximum traction were 'petroleum, coal products and nuclear fuels', 'all engineering', and 'gems and jewellery'
- Services credit growth recorded 21.4% with heady offtake from PFIs. Personal credit clocked a 15.8% growth, with gold loans again dominating

Continued…

- 1-year MCLR was up 10bps m/m to 8.60% in Jul'26. In Jun'26, WALR (fresh) stood at 8.53%, up 2bps
- WADTDR of fresh INR deposits rose sharply by 16bps m/m to 5.99% as banks scrambled for deposits. This was in Jun'26

International

Rare joint action rocks the currency markets (Source: Reuters): As per media reports, the US Treasury purchased JPY to support it near 40-year lows. This was the first such action in a decade, and it is reported that EUR was sold on behalf of the Treasury. A photograph reportedly showed buying USD 5-10 bn of JPY was on the agenda of Mr. Bessent. Further, Japanese FM is likely to announce that Japan and US took joint action.

US Fed dissenter camp grows vocal (Source: Reuters): Ms. Hammack claimed the current policy setting is unlikely to moderate inflation. Ms. Logan seconded this view, saying one shouldn't rely on shocks to do the job on inflation. Mr. Kashkari went further and declared a series of rate hikes may be needed. Mr. Barkin said he sees a case for a rate hike, but also for waiting, opting to sit on the fence.

Prices in Europe rise as expected (Source: Eurostat): CPI clocked 2.9% y/y in Jul'26, in line with forecasts. A 10% spike in energy prices dominated the price rise. Services too posted a 3.3% rise, leading to core CPI printing 2.5% (forecast: 2.4%), accelerating from last month. Sequentially, CPI forged ahead by 0.2% m/m due to large gain in energy prices. Price rise remained robust across major economies.

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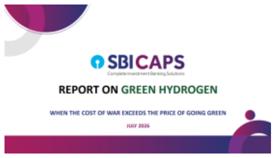

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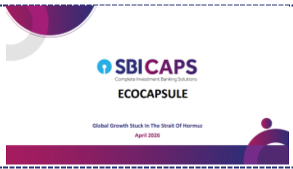

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