04 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.69	0
US 2Y*	4.25	0
Germany 10Y	3.15	-5
UK 10Y	4.95	-10
Japan 10Y	2.78	-1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.42	-3
6.94% GS 2036* (10Y)	6.83	0
6.68% GS 2040*	7.02	-1
1-Month T-bill	5.12	-8
3-Month T-bill	5.30	-2
6-Month T-bill	5.57	-2
12-Month T-bill	5.70	-2

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	89	79	59	49
AA	170	166	145	134
A	353	347	327	316

Source: FIMMDA, as on 31 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	3.66

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	78,639	0.7
NIFTY	24,774	1.6
NASDAQ	25,914	2.1
S&P 500	7,601	1.5
Nikkei 225	63,755	-0.9
Euro Stoxx 50	6,427	1.1

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	84.5	1.3
Natural gas Nymex (USD/MMBtu)	2.8	0.0
Gold Comex (USD/t oz.)	4,115.8	0.0
Copper Comex (USD/lb)	656.8	0.4
Wheat cbot (USD/bu.)	649.8	2.3

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.34	-0.1
GBP/ INR	128.01	0.0
EUR/ INR	109.68	3.1
EUR/USD	1.15	-0.1
DXY Index	99.90	0.2

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: SGS Auction; **US:** Trade Balance, Factory Orders, JOLTS Jun’26

Domestic

Easier taxation rules could be in store for offshore funds (Source: Reuters): The draft Tax Amendment Bill 2026 proposes amendments to that shield offshore investment funds from Indian tax liabilities when they route investments through India-based fund managers. Present rules impose conditions on corpus, investor number, and single investor cap to enjoy this tax shield. The proposed rules have retained some safeguards such as not more than 5% of the fund's assets can be from domestic investors, and the fund cannot control business in India to be exempt from Indian tax exposure.

Tax breaks for manufacturers could be extended (Source: Reuters): As per media sources, the country is set to extend tax exemption till 2041 for foreign companies that provide machinery to contract manufacturers. This will apply to manufacturers of electronics which is expected to be a major beneficiary. The country could also exempt income from storing and providing parts used to manufacture such electronics components to contract manufacturers.

Manufacturing activity stumbles in Jul’26 (Source: S&P Global): Manufacturing PMI sunk to a near-5-year low of 53.5 from 54.2 in Jun’26. New orders suffered, with market conditions becoming challenging and client interest reducing. Consumer goods was an area of acute weakness. Cost pressures receded to their weakest in five months, though transportation costs jumped up.

Kharif sowing remains moderate as rains play truant (Source: UPAG, IMD, CWC):

- Total sown area declined 2.9% y/y to 89.4 mn ha. Rice saw lower sowing by 2.2%, with largest drops seen in pulses. Oilseed sowing recovered and is now above last year’s levels as of 31 Jul’26
- Monsoon is 11.9% below normal as of 3 Aug’26. Central India now has surplus rainfall, while all other regions experience shortfalls. Largest deficiency was in East and NE India (-29%)
- Live storage capacity at major reservoirs was a shade below normal as of 30 Jul’26. Reservoirs in Bihar, Telangana, TN are particularly dry

Freight loading improves in Jul’26 (Source: PIB): 141 mn tonnes of goods were loaded onto Indian Railway wagons, up 9% y/y. Iron ore loading spiked 22.2%, with coal growing by 11.5% amidst excellent power demand. Fertilisers and food grains also saw large gains amidst the ongoing sowing season.

Windfall tax on fuel exports changed (Source: ET): The levy on petrol was increased to Rs. 3.5/L from Rs. 2.5/L, whereas for diesel it is now Rs. 25.5/L from Rs. 15.5/L. The export tax on ATF stands enhanced to Rs. 22/L from Rs. 14.5/L. The rates are effective 03 Aug’26.

International

Continued…

The Daily Digest

Global manufacturing expansionary in Jul’26 (Source: S&P Global):

- Global manufacturing PMI posted 52.1. New business, output and stocks of purchases expanded further, employment returned to growth, and suppliers' delivery times lengthened
- US manufacturing PMI printed 53.9, unchanged from last month. New customer acquisition supported growth even as raw material supply issues plagued manufacturers
- Eurozone manufacturing PMI touched 51.9 in Jul’26, with the output sub-index soaring to a 52.9 high. Backlog clearances supported output growth even as new orders rose sluggishly

US Fed speaker threatens rate hikes (Source: Reuters): Mr. Williams still expects slow cooling in inflation, with the same hitting the 2% y/y target in CY28. He said the policy is well positioned but warned that hikes will be done if inflation doesn’t slow. He dismissed financial stability risks from AI investment.

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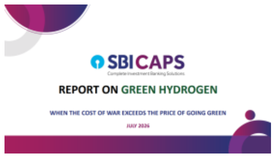

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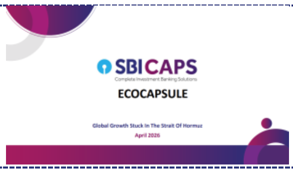

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