06 August 2026

The Daily Digest

SBICAPS
Complete Investment Banking Solutions

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.61	0
US 2Y*	4.19	-1
Germany 10Y	3.11	1
UK 10Y	4.89	-1
Japan 10Y	2.76	-5

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	6.31	-9
6.94% GS 2036* (10Y)	6.78	-3
6.68% GS 2040*	6.98	-2
1-Month T-bill	5.12	2
3-Month T-bill	5.25	-11
6-Month T-bill	5.53	-3
12-Month T-bill	5.69	1

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

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	114	108	59	67
AA	195	195	145	152
A	378	376	327	334

Source: FIMMDA, as on 04 August, 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	78,581	0.2
NIFTY	24,625	0.0
NASDAQ	26,363	-0.8
S&P 500	7,724	-0.2
Nikkei 225	66,300	3.7
Euro Stoxx 50	6,477	-0.1

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	79.8	0.4
Natural gas Nymex (USD/MMBtu)	2.7	-0.7
Gold Comex (USD/t oz.)	4,336.6	4.4
Copper Comex (USD/lb)	673.5	1.8
Wheat cbot (USD/bu.)	643.0	1.1

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	95.13	-0.3
GBP/ INR	128.01	0.3
EUR/ INR	109.80	-0.1
EUR/USD	1.16	0.2
DXY Index	99.68	-0.2

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: G-sec Buyback & VRRR Auction; **Eurozone:** Retail Sales Jun'26; **US:** Challenger Job Cuts Jul'26, Non-farm Productivity Jul'26

Domestic

MPC delivers policy on expected lines (Source: RBI): Highlights:

- The repo rate was kept unchanged at 5.25% unanimously as widely expected. SDF, MSF rates stayed put. Stance was retained at "Neutral"
- Projection for CPI was for FY27 was cut by 10bps vs. last policy to 5.0% y/y. Quarterwise, projection for Q2FY27 is 5.1% (-40bps), Q3FY27 is 5.9% (no change), Q4FY27 is 5.5% (+10bps), and Q1FY28 is 5.3%
- Real GDP growth projection was adjusted upwards by 10bps to 6.7% y/y in FY27. This was owing to sharp upward revision for Q1, which is now pencilled in for 7.0% growth. Q2 is also up to 6.4%
- Harmonisation and standardisation of regulatory framework governing lending rates across entities was announced

For more details, refer to our Report titled "RBI MPC: A Long Rope for Inflation to Leash Itself"

Economic activity constrained in Jul'26 (Source: S&P Global): Services expansion lost steam as the PMI slipped to 53.3 from 57.4, the lower print in almost 4.5 years. New business inflows moderated amid softer demand, though exports were a bright spot. Input prices rose at a softer pace even as selling prices galloped ahead. The Composite PMI fell to 54.3 from 57.1 in Jun'26, the weakest since Mar'22.

Strategic fuel reserve may be funded using cess (Source: BS): The country may impose a charge on cooking gas and natural gas consumers to help fund a planned USD 42 bn strategic fuel reserve as per media sources. Such levies could raise ~USD 1.5 bn/annum. The stockpile would cover ~2 months of crude and LNG demand, besides 6 weeks of LPG consumption.

State Budget for Tamil Nadu presented (Source: Government of TN):

- Revenue receipts are now expected to grow by 13.0% y/y (FY27RBE vs. FY26RE) as against a sober 11.3% forecast as per FY27BE
- Revenue expenditure will soar to over Rs. 4.05 trn (up 7.1%), with capex moving up slower than earlier envisaged to Rs. 569.9 bn (up 10.8% vs. 15.8% in FY27BE), in FY27RBE
- Fiscal deficit is projected to come down to 3.00% in FY27RBE vs. 3.48% seen in FY26RE. Even so, the SGS borrowing is expected to expand to Rs. 1.58 trn vs. Rs. 1.52 trn as per FY27BE
- Nominal GSDP is expected to soar by 14.0% y/y in FY27, slower than 14% attained in FY26 and at a 3-year low. A USD 1.5 trn economy by FY31 is eyed by the Government

International

Global economic activity sound in Jul'26 (Source: S&P Global):

- Global Composite PMI attained a 5-month high of 52.6 with Services and Manufacturing expansion evenly paced, clocking 52.5 and 52.7 respectively. The gains were broad based

Continued…

- US Services PMI soared to 54.6 from 51.2 in Jun’26 backed by new orders and boost from FIFA World Cup. This meant the Composite PMI reached 54.5, highest since Oct’25
- Eurozone Services PMI Business Activity Index emerged from contraction, printing 51.7. This helped the Composite PMI reach an 8-month high of 52.0 (Jun’26: 50.0)

US private payrolls disappoint in Jul’26 (Source: CNBC): As per ADP, private companies added just 44k jobs, below expectations of 68k, and vastly below Jun’26. All the gains came from the services sector, which saw a gain of 47k jobs, with manufacturers shedding 3k workers. Jobs were largely added in the education and health sectors. Pay gains held steady at 4.4% annually.

US Fed speakers voice out on rates (Source: Reuters): Ms. Daly said the Central Bank was right to hold rates steady at the Jul’26 meeting, adding that the Fed was vigilant and ready to take action. Mr. Kashkari called for a series of small interest rate hikes to contain inflation and said that communicating the Fed’s reaction function was useful. Ms. Cook concurred, saying that she is ready to raise rates if inflation doesn’t ease.

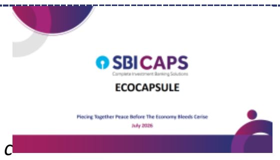
Our Recent Publications

RBI MPC: A Long Rope for Inflation to Leash Itself

August 2026

REPORT ON GREEN HYDROGEN: WHEN THE COST OF WAR EXCEEDS THE PRICE OF GOING GREEN

July 2026



Monthly EcoCAPSule: Piecing Together Peace Before The Economy Bleeds Cerise

July 2026

Monthly EcoCAPSule: Wish Of The Indian Economy - Fewer Dark Clouds And More Rainfall

June 2026

Q4FY26 GDP & FY26: WILL AN AUSPICIOUS FY26 BE A GOOD OMEN FOR FY27?

June 2026

RBI MPC: RBI SAYS 'THIS TOO SHALL PASS'

June 2026

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May 2026

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