20 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.63	-7
US 2Y*	4.16	-1
Germany 10Y	3.26	0
UK 10Y	5.04	-4
Japan 10Y	2.82	-8

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.45	-1
6.94% GS 2036* (10Y)	6.82	-1
6.68% GS 2040*	7.00	-1
1-Month T-bill	5.10	-1
3-Month T-bill	5.26	6
6-Month T-bill	5.55	9
12-Month T-bill	5.72	4

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	125	98	71	84
AA	206	185	157	167
A	390	366	338	350

Source: FIMMDA, as on 18 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	3.65

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	76,910	-0.4
NIFTY	24,078	-0.3
NASDAQ	26,331	0.2
S&P 500	7,708	0.2
Nikkei 225	65,326	-3.2
Euro Stoxx 50	6,444	-0.4

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	92.1	0.2
Natural gas Nymex (USD/MMBtu)	2.8	0.4
Gold Comex (USD/t oz.)	4,548.4	3.1
Copper Comex (USD/lb)	657.8	0.3
Wheat cbot (USD/bu.)	698.0	2.2

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.76	0.1
GBP/ INR	130.03	0.3
EUR/ INR	111.72	0.9
EUR/USD	1.17	0.8
DXY Index	98.83	-0.8

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: ICI Jul'26, VRRR Auction; **China:** Policy Rate; **Japan:** Trade Balance Jul'26

Domestic

Minutes of Aug'26 MPC published (Source: RBI): Highlights:

- Decision to keep the stance "Neutral" was unanimous
- Governor Mr. Malhotra said any evidence of risks associated with food and fuel prices materialising may need policy tightening. He said that projection of Core inflation may suggest a recalibration of rate
- Mr. Singh said headline CPI remains a supply-led phenomenon with no signs of overheating in the economy based on Core inflation. He called for swift adjustments as conditions change
- Ms. Gupta said the best course of action would be to wait and watch. This would be till weather related uncertainties settle and global clarity emerges, allowing estimation of supply-led inflation
- Mr. I Bhattacharya said that the pause preserves flexibility on timing, and it does not necessarily imply an extended pause

Union Cabinet announces key projects (Source: PIB): Approvals:

- Upgradation of the Muzaffarpur-Sitamarhi-Sonbarsa Section of NH-22 to 4-Lane Standard in Bihar via HAM at total capex of Rs.35.9 bn
- Four multi-tracking projects covering eight districts in West Bengal, Odisha, TN, and Andhra Pradesh. These are to be completed by FY31 at a cumulative cost of Rs. 94.5 bn

International

FOMC Minutes show members hypothesised hike scenarios (Source: US Federal Reserve, CNBC): The summary said many participants assessed that policy tightening would likely be necessary if inflation did not decline. Some members also felt the financial conditions mightn't be sufficiently restrictive to facilitate a return to inflation of 2% y/y. Dissenters felt that a hike now would reduce the need for a steeper and potentially more costly sequence of hikes later. Chair Mr. Warsh also expressed the need for reducing policy meetings per year from 8 to 6 – though no change has been made as yet.

US moves to control bond yields (Source: Reuters): Treasury Secy. Mr. Bessent doubled the pace of purchase of long-term US G-secs. The move is expected to support liquidity in long-dated debt securities with 'strong sponsorship'. This comes a day after 30Y yield hit a 19-year high.

China policy rate unmoved for 15th month (Source: Reuters): The one-year loan prime rate (LPR) was kept at 3.00%, while the five-year LPR was unchanged at 3.50%. The move was widely expected.

Japan trade deficit printed for another month (Source: Bloomberg): The island nation posted a JPY 634.5 bn deficit in Jul'26, the third straight month of shortfall. Exports rose 23.2% y/y driven by robust semiconductor and automobile shipments. However, imports spiked even more sharply, by 27.8% fuelled by oil prices and electrical equipment.

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