27 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.65	1
US 2Y*	4.22	3
Germany 10Y	3.23	3
UK 10Y	5.03	4
Japan 10Y	2.88	3

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.46	-4
6.94% GS 2036* (10Y)	6.85	-2
6.68% GS 2040*	7.01	-2
1-Month T-bill	5.16	-3
3-Month T-bill	5.26	-1
6-Month T-bill	5.54	-2
12-Month T-bill	5.74	0

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	139	117	94	54
AA	220	204	180	137
A	404	385	361	320

Source: FIMMDA, as on 24 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	77,656	0.4
NIFTY	24,335	0.5
NASDAQ	26,130	-0.1
S&P 500	7,676	0.0
Nikkei 225	66,262	0.6
Euro Stoxx 50	6,471	0.2

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	87.6	1.6
Natural gas Nymex (USD/MMBtu)	2.9	2.5
Gold Comex (USD/t oz.)	4,675.1	-0.7
Copper Comex (USD/lb)	671.5	-2.0
Wheat cbot (USD/bu.)	762.0	7.0

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.41	0.0
GBP/ INR	129.62	-0.2
EUR/ INR	111.16	-0.1
EUR/USD	1.17	-0.1
DXY Index	99.17	0.3

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: VRRR Auction; **China:** Industrial Profit Jul'26; **US:** Goods Trade Balance Jul'26; **Philippines:** Policy Rate

Domestic

Bulletin for Aug'26 released by RBI (Source: RBI): Highlights:

- Global economy is confronting a fragile geopolitical environment and continuing trade-related uncertainties. Domestic economy showed inward looking resilience and rebounding forex inflows
- USD 561 mn of foreign currency were purchased in Jun'26. This meant outstanding net forward sales were at USD 103.3 bn
- Total flow of finances to commercial sector in 4MFY27 clocked Rs. 10.6 trn (4MFY26: Rs. 4.5 trn), with huge uptick in non-food bank credit (nearly 10x y/y) and decent growth in flows from foreign sources
- Outstanding credit to commercial sector was up 17.4% y/y as of Jul'26, led by 19.1% surge in non-food bank credit. Short-term credit from abroad surged 25.3% with 20.1% extra given by AIFIs
- NRI deposits inflows stood at USD 2.8 bn in Q1FY27 (Q1FY26: USD 3.6 bn), with skyrocketing FCNR(B) flows being cancelled out by tanking NR(E)RA deposits

Sowing remains below par as monsoon stagnates (Source: UPAG, IMD, CWC):

- Kharif sowing was 1.5% down y/y, at 10.6 mn ha. A shortfall of 3.2% in rice was partially compensated by 1.3% rise in area under pulses. Area under oilseeds saw a minor decline, with other major crops such as sugarcane too seeing a dip. This is as of 21 Aug'26
- Monsoon was 13% below normal as of 25 Aug'26. All regions were below LPA, with max shortfall in East & NE, South Peninsular regions
- Live storage in major reservoirs was below normal at 97% as on 20 Aug'26. Large shortfalls were seen in Bihar, Telangana, and Tamil Nadu

International

Iran Oman work on deal on Hormuz (Source: AP): Iran and Oman claimed they had discussed a framework to establish a temporary shipping route. Qatar has voiced support for this initiative. Iran said once the deal is inked, military vessels won't be allowed to cross the Strait. US has threated to bomb Oman if the deal happens.

US PCE inflation races ahead of forecast (Source: Fox Business, US BEA): PCE price index surged ahead by 3.7% y/y in Jul'26, above projection of 3.6%. Core PCE, the US Fed's preferred barometer, clocked 3.3% y/y, which, though as per estimate, was well above target. Both goods and services showed even price increases. Sequentially, PCE surged ahead by 0.2% m/m.

US GDP meets earlier estimate (Source: US BEA): Real growth advanced forward by 1.2% q/q saar in Q2CY26 as per the second estimate. This is slower than 2.1% recorded in Q1, due to a downturn in government spending and deceleration in investment and exports. Price index for the quarter was revised marginally higher.

Continued…

The Daily Digest

Canada matches US tariffs (Source: Canada.ca): Effective 8 Jan’26, Canada will impose 15%, 25%, and 50% tariffs on products drawn from those targetted by US Section 338 and 232 tariffs, with individual product rates based on the matching U.S. rate for the same goods. The counter tariffs will apply to products covering USD 27.6 in imports from the US.

German growth revised upwards for Q2CY26 (Source: Destatis): German real GDP moved ahead by a seasonally adjusted 0.3% q/q as against 0.2% previously expected. Foreign trade grew substantially in the quarter primarily driven by goods. GFCF decreased slightly, with subdued growth in consumption expenditure.

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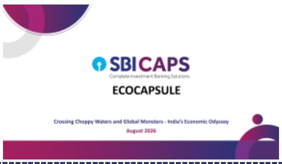

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