28 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	**Yield (in %)**	**1D Change (bps)**
US 10Y*	4.67	2
US 2Y*	4.23	1
Germany 10Y	3.25	2
UK 10Y	5.03	0
Japan 10Y	2.91	3

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	**Yield (in %)**	**1D Change (bps)**
6.36% GS 2031*	6.49	3
6.94% GS 2036* (10Y)	6.89	4
6.68% GS 2040*	7.03	2
1-Month T-bill	5.10	-6
3-Month T-bill	5.27	1
6-Month T-bill	5.60	6
12-Month T-bill	5.77	3

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

Spreads in bps for Corporates				
Annualized Spreads	**3-year**	**5-year**	**7-year**	**10-year**
AAA	143	126	93	90
AA	224	213	179	173
A	408	394	360	356

Source: FIMMDA, as on 25 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	3.64

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	**Last**	**1D Change (%)**
BSE SENSEX	76,934	-0.9
NIFTY	24,091	-1.0
NASDAQ	26,541	1.6
S&P 500	7,731	0.7
Nikkei 225	66,132	-0.2
Euro Stoxx 50	6,425	-0.7

Source: Google Finance

Commodities Futures		
Commodities	**Last**	**1D Change (%)**
Brent Crude (USD/bbl)	89.2	1.9
Natural gas Nymex (USD/MMBtu)	2.9	0.7
Gold Comex (USD/t oz.)	4,629.8	-1.0
Copper Comex (USD/lb)	668.4	-0.5
Wheat cbot (USD/bu.)	760.8	-0.2

Source: Bloomberg

Exchange Rates		
Currency pair	**Rate**	**1D Change (%)**
USD/ INR	95.55	0.1
GBP/ INR	129.75	0.1
EUR/ INR	111.16	0.0
EUR/USD	1.17	-0.1
DXY Index	99.16	0.0

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: IIP Jul'26, G-sec & VRRR auction; **GDP Q2CY26:** Canada, France; **US:** Jackson Hole Symposium

Domestic

Sovereign credit rating reaffirmed (Source: S&P Global): India's rating was retained at S&P BBB/A-2/Stable. The agency said strong fundamentals would help the country withstand pressures from elevated energy prices and weak agricultural conditions. Real growth in FY27 is expected to fall to 6.6% y/y, though it is set to average 7.0% annually over the next 3 fiscals. Burdensome debt stock remains a concern, with general government deficit at 7.3% of GDP in FY27. It is set to moderate to 6.6% by FY30 (of which Union would be 3.9%).

Fresh impetus for battery cell makers likely (Source: Bloomberg): As per news sources, an incentive programme worth up to Rs. 130 bn for cell component makers could be in store. The proposed incentives cover five key battery components: anode and cathode active materials, electrolytes, separator film and copper foil. This will be considered by the Expenditure Finance Committee after inter-ministerial consultation.

Fiscal maths brightens on non-debt capital receipts (Source: Bloomberg): Media sources suggest that the Union is set to exceed its asset sale target for the first time since FY19. The Rs. 800 bn target is in sight helped by proposed privatisation of a bank. Stronger tax collections and easing global fertiliser costs will also help finances.

International

Mr. Trump may announce another round of tariffs (Source: Politico): As per media sources, the POTUS is mulling a new round of sweeping tariffs on semiconductors. One approach on the table would greatly expand tech products subject to duties, hitting not just chips but also laptops, gaming consoles, and data centre servers. A phase-in period will be provided with relief for foreign companies which invest in US chip manufacturing facilities.

US may impose control on Venezuelan oil (Source: Axios): As per media sources, US may now access reserves upto 90 bn barrels of proven fields. Under the proposed arrangement, the Venezuelan government would receive greater investment in the oil sector as private companies, including US firms, develop the fields. Venezuela could exit OPEC as its ties with the US deepen.

US Fed officials issue warning on inflation (Source: Reuters):

- Mr. Goolsbee expressed concerns about possible further rise in inflation. He declared that everyone should be on edge
- Mr. Schmid admitted the current rate policy is not providing the needed economic restraint. Ms. Hammack went a step ahead and said she is still ready to raise rates to combat inflation
- Ms. Collins deemed the most recent inflation data "mixed" though she feels that the policy setting is slightly restrictive

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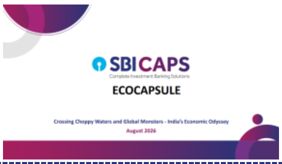

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