31 August 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.72	5
US 2Y*	4.34	11
Germany 10Y	3.28	3
UK 10Y	5.06	3
Japan 10Y	2.91	0

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	6.53	5
6.94% GS 2036* (10Y)	6.91	2
6.68% GS 2040*	7.05	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	145	122	93	85
AA	226	209	179	168
A	410	390	360	351

Source: FIMMDA, as on 27 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	77,265	0.4
NIFTY	24,176	0.4
NASDAQ	26,402	-0.5
S&P 500	7,712	-0.2
Nikkei 225	66,406	0.4
Euro Stoxx 50	6,486	0.9

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	90.5	1.4
Natural gas Nymex (USD/MMBtu)	2.9	-1.4
Gold Comex (USD/t oz.)	4,479.5	-3.2
Copper Comex (USD/lb)	660.8	-1.1
Wheat cbot (USD/bu.)	778.3	2.3

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	95.39	-0.2
GBP/ INR	129.39	-0.3
EUR/ INR	107.78	-3.0
EUR/USD	1.16	-0.5
DXY Index	99.70	0.5

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: GDP Q1FY27, Fiscal Balance Jul'26, Sectoral Deployment of Bank Credit Jul'26, VRRR auction; **China:** Official PMI Aug'26; **Germany:** CPI Aug'26

Domestic

Industrial production momentum remains in Jul'26 (Source: PIB): IIP recorded a growth of 6.7% y/y, much quicker than the 6.0% pace expected. The enthusiasm was led by a 7.3% rise in manufacturing output, with 8.7% jump in electricity & gas supply providing a kicker. All segments except mining and quarrying showed growth. Strongest production rise was seen in vehicles, electrical equipment, and rubber & plastics. For 4MFY27, IIP was up 6.3% y/y.

Senior official confident on growth in FY27 (Source: BS): The FM declared that the country is likely to sustain a real growth of 7% y/y or higher in FY27. Ms. Sitharaman said she had kept in touch with global uncertainties while also understanding India's requirements. She hoped for greater foreign fund flows to achieve investment goals. Towards this, she mooted bilateral investment treaties alongwith trade deals.

Central Bank announces update on key auctions (Source: RBI):

- Against a notified amount of Rs. 3 trn, a 3-day VRRR saw bids worth Rs. 1.52 trn, which were fully accepted at 5.24%
- Rs. 340 bn of 6.94% GS 2036 was auctioned fully at cut-off yield of 6.9136%
- A Union G-sec buyback has been announced for 3 Sep'26 for an aggregate quantum of Rs. 300 bn. Securities selected for the same are 7.33% GS 2026, 5.74% GS 2026, 8.15% GS 2026, and 8.24% GS 2027

International

Jackson Hole Conference offers a whiff of a rate hike (Source: US Federal Reserve, CNBC): Chair Mr. Warsh recommitted to the US Fed's 2% inflation target and said elevated prices should remain the Central Bank's main focus. PCE and CPI readings, while better than expected, have not meaningfully improved. He said short-term interest rates remain the Fed's main tool. Moreover, AI and balance sheet questions are not driving near-term policy. Further, while employment is doing well, housing and agriculture are showing strains.

Tensions flare up once more in the Middle East (Source: Reuters): The US struck two Iranian launchers on Iran's Larak island, the first American attack since late-Jul'26. Iran responded by launching an attack on two US bases in Jordan. Mr. Bessent said that new secondary sanctions were likely to be unveiled weekly, with initial focus on banks.

Business conditions remain depressed in Aug'26 in China (Source: Bloomberg): Official Manufacturing PMI clocked 49.8, remaining in contraction despite better than expected print and slight uptick from last month. Non-manufacturing PMI signalled sharper downturn than anticipated, recording 49.0 vs. 49.5 expected. This meant that Composite PMI was ailing at 49.5.

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