02 September 2026

# The Daily Digest

| Foreign G-Sec Bond Yield | | |
|---|---|---|
| G-sec | Yield (in %) | 1D Change (bps) |
| US 10Y* | 4.80 | 3 |
| US 2Y* | 4.40 | 5 |
| Germany 10Y | 3.34 | 2 |
| UK 10Y | 5.22 | 8 |
| Japan 10Y | 2.99 | 4 |

*Source: Bloomberg, *semi-annual*

| G-sec yield | | |
|---|---|---|
| G- Sec | Yield (in %) | 1D Change (bps) |
| 6.36% GS 2031* | 6.59 | 0 |
| 6.94% GS 2036* (10Y) | 6.96 | 1 |
| 6.68% GS 2040* | 7.08 | 1 |
| 1-Month T-bill | 5.02 | -6 |
| 3-Month T-bill | 5.24 | -3 |
| 6-Month T-bill | 5.62 | 0 |
| 12-Month T-bill | 5.81 | 1 |

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

| Spreads in bps for Corporates | | | | |
|---|---|---|---|---|
| Annualized Spreads | 3-year | 5-year | 7-year | 10-year |
| AAA | 107 | 94 | 72 | 52 |
| AA | 185 | 179 | 158 | 139 |
| A | 369 | 359 | 339 | 322 |

*Source: FIMMDA, as on 31 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 | 8.70 |
| SOFR | 3.68 |

*Source: RBI, Federal Reserve Bank of New York*

| Major Equity Indices | | |
|---|---|---|
| Indices | Last | 1D Change (%) |
| BSE SENSEX | 76,944 | 0.0 |
| NIFTY | 24,056 | -0.1 |
| NASDAQ | 26,100 | -1.0 |
| S&P 500 | 7,631 | -0.7 |
| Nikkei 225 | 66,215 | -0.1 |
| Euro Stoxx 50 | 6,369 | -0.8 |

*Source: Google Finance*

| Commodities Futures | | |
|---|---|---|
| Commodities | Last | 1D Change (%) |
| Brent Crude (USD/bbl) | 95.8 | 4.9 |
| Natural gas Nymex (USD/MMBtu) | 3.0 | 0.7 |
| Gold Comex (USD/t oz.) | 4,345.7 | -3.1 |
| Copper Comex (USD/lb) | 652.2 | -2.9 |
| Wheat cbot (USD/bu.) | 775.8 | 0.7 |

*Source: Bloomberg*

| Exchange Rates | | |
|---|---|---|
| Currency pair | Rate | 1D Change (%) |
| USD/ INR | 94.95 | -0.2 |
| GBP/ INR | 128.34 | -0.4 |
| EUR/ INR | 109.88 | -0.5 |
| EUR/USD | 1.16 | -0.2 |
| DXY Index | 99.68 | 0.3 |

*Source: Bloomberg, Morningstar, Marketwatch*

## Key Events

**India:** T-Bill & VRRR Auctions; **US:** ADP Private Payrolls Aug'26, Factory Orders Jul'26; **Australia:** GDP Q2CY26; **Policy Rate:** Canada, Poland

## Domestic

**High-frequency indicators in Aug'26 show that growth is continuing in Q2FY27 (Source: S&P Global, CEIC, IEX):**

- Manufacturing PMI declined to 52.8, the weakest print in 5 years. Except consumer goods, all industrial segments saw softer demand. New order volumes saw limited increases, though export sales were strong. Employment and input cost pressures eased
- Electrical energy supply rose 12.9% y/y to 169.0 BU, with maximum requirement in Southern (19.9%) and Northern (13.1%) regions
- Volume on the day-ahead market on IEX was up 13.8% y/y to 5.5 TWh, while prices spiked by 22% to Rs. 4.88/unit
- Petrol sales by major state PSUs soared 9.1% y/y to 3.5 mn tonnes. Diesel sales impressed even more, clocking a 10.2% surge
- UPI transaction value showed fair growth and was up 20.0% y/y
- Fastag collections were up by a muted 7.7% y/y. Nevertheless, this is the strongest pace since Jan'26
- CIL's coal production declined 5.7% y/y to 47.5 mn tonnes, while supplies increased 5.5% to 60.6 mn tonnes

**GST collections soar in Aug'26 (Source: The Hindu Businessline, CNBC TV-18):** Gross GST collections were up 14.8% y/y to Rs. 1.99 trn. Gains were once again led by import revenue, which were up 29% to Rs. 626 bn. Domestic transaction related collections rose 9.3%. CGST was at Rs. 384 bn, with SGST at Rs. 463 bn, and IGST at Rs. 1.2 trn. Net GST stood at Rs. 1.68 trn, up 8.3%, as refunds surged. Net GST revenue for 5MFY27 is up ~9% y/y.

**Current account deficit increases in Q1FY27 (Source: RBI):** CAD stood at USD 4.2 bn, which is 0.5% of GDP (Q1FY26: 0.4% of GDP). This was owing to a sharp increase in merchandise trade deficit. FDI recorded a net inflow of USD 6.1 bn, up a healthy 17% y/y. FPIs withdrew USD 9.6 bn vs. inflow of USD 1.6 bn seen in Q1FY26. Accretion to NRI deposits and ECBs were also down on year. Remittances printed a healthy increase to USD 42.9 bn.

**FCNR(B) flows unprecedentedly high (Source: FE):** As per media sources, capital inflows under the scheme crossed the USD 100 bn mark by the 31 Aug'26 deadline. Additional flows were attracted through the ECB and OFCB route.

**Crop sowing depressed on paltry rainfall (Source: UPAG, IMD, CWC):**

- Sowing of kharif crops was down 1.7% y/y to 107.1 mn ha with rice down 3.4%. Pulses have recorded a rise, with oilseeds and sugarcane showing mild declines
- Cumulative rainfall as of 1 Sep'26 was 13.6% below LPA. This meant that Aug'26 was the hottest one since 1901. Maximum deficit was South Peninsular and East & NE regions
- Live storage at major reservoirs was at 96.3% of normal. Largest shortfalls were in Telangana (41.6%), Bihar (37.7%), and TN (35.4%)

***Continued…***

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## International

**Manufacturing robust in advanced economies (Source: S&P Global):**

- Global Manufacturing PMI read 52.3, with new export orders rising for the first time in 4 months. Jobs growth was at a 3-year high, and across goods categories
- US Manufacturing PMI was unchanged albeit expansionary at 53.9. Output volumes rose, and stock-building was the imperative for higher output. Price rises and material shortages weighed in on sentiment
- Eurozone Manufacturing PMI recorded 52.7, a 51-month high. It was the strongest rise in new factory orders since early CY22

**European prices rise as expected in Aug'26 (Source: Eurostat):** Consumer prices in the euro area were up 3.3% y/y, accelerating from 2.9% in Jul'26. Dearness was exemplified by a humungous 14.3% rise in energy prices, with all other major categories below headline. Core CPI chimed in slightly lower than forecast at 2.4% y/y. Sequentially, headline CPI advanced by 0.4% m/m.

**Australian growth beats forecasts (Source: ABC News):** Real GDP expanded by 2.1% y/y in Q2CY26, defying the projection of 1.8% growth. This is however slower than the growth witnessed in Q1CY26. New building investment and household consumption were key contributors.

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