04 September 2026

# The Daily Digest

| Foreign G-Sec Bond Yield | | |
|---|---|---|
| **G-sec** | **Yield (in %)** | **1D Change (bps)** |
| **US 10Y*** | 4.77 | 0 |
| **US 2Y*** | 4.34 | -2 |
| **Germany 10Y** | 3.34 | -3 |
| **UK 10Y** | 5.13 | -10 |
| **Japan 10Y** | 2.89 | -6 |

*Source: Bloomberg, *semi-annual*

| G-sec yield | | |
|---|---|---|
| **G- Sec** | **Yield (in %)** | **1D Change (bps)** |
| **6.36% GS 2031*** | 6.52 | -3 |
| **6.94% GS 2036* (10Y)** | 6.96 | -1 |
| **7.06% GS 2041*** | 7.12 | -1 |
| **1-Month T-bill** | 4.89 | -12 |
| **3-Month T-bill** | 5.20 | -5 |
| **6-Month T-bill** | 5.53 | -11 |
| **12-Month T-bill** | 5.89 | -1 |

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

| Spreads in bps for Corporates | | | | |
|---|---|---|---|---|
| **Annualized Spreads** | **3-year** | **5-year** | **7-year** | **10-year** |
| **AAA** | 133 | 120 | 90 | 77 |
| **AA** | 211 | 205 | 176 | 164 |
| **A** | 395 | 385 | 357 | 347 |

*Source: FIMMDA, as on 02 September, 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** | 3.65 |

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

| Major Equity Indices | | |
|---|---|---|
| **Indices** | **Last** | **1D Change (%)** |
| **BSE SENSEX** | 76,153 | -0.5 |
| **NIFTY** | 23,873 | -0.2 |
| **NASDAQ** | 26,584 | 1.4 |
| **S&P 500** | 7,748 | 1.1 |
| **Nikkei 225** | 64,214 | -0.2 |
| **Euro Stoxx 50** | 6,383 | 0.3 |

*Source: Google Finance*

| Commodities Futures | | |
|---|---|---|
| **Commodities** | **Last** | **1D Change (%)** |
| **Brent Crude (USD/bbl)** | 95.8 | 0.3 |
| **Natural gas Nymex (USD/MMBtu)** | 2.9 | -2.7 |
| **Gold Comex (USD/t oz.)** | 4,522.5 | 1.3 |
| **Copper Comex (USD/lb)** | 667.4 | 1.1 |
| **Wheat cbot (USD/bu.)** | 755.3 | -2.3 |

*Source: Bloomberg*

| Exchange Rates | | |
|---|---|---|
| **Currency pair** | **Rate** | **1D Change (%)** |
| **USD/ INR** | 94.49 | -0.5 |
| **GBP/ INR** | 128.00 | 0.6 |
| **EUR/ INR** | 109.78 | -0.2 |
| **EUR/USD** | 1.16 | 0.3 |
| **DXY Index** | 98.91 | -0.7 |

*Source: Bloomberg, Morningstar, Marketwatch*

## Key Events

**India:** Union G-sec & VRRR Auction; **US:** Non-farm Payrolls, Unemployment Rate Aug'26; **Eurozone:** Retail Sales Jul'26

## Domestic

**Services activity soars in Aug'26 (Source: S&P Global):** Services PMI recorded 54.1, rising from 53.3 in Jul'26. New business also increased more quickly, helped by stronger customer demand and marketing initiatives. International demand continued to support growth. Firms continued to hire, with job creation reaching a 15-month high, while price pressures picked up only modestly. Composite PMI remained unchanged at 54.3.

**Securities regulator looks to ease rules for mutual funds (Source: SEBI):** In a consultation paper, SEBI has proposed permitting net settlement of finds for outright transactions undertaken by MF schemes in the cash market. Only scheme-level netting will be allowed. Further proposals deal with treatment of residual obligations and operational standards. The move, if finalised, will improve settlement efficiency and reduce temporary liquidity needs of MFs.

**Central Bank concludes key auctions (Source: RBI):**

- No bids were accepted for the Rs. 300 bn Union G-sec buyback auction as against Rs. 31.1 bn offered by participants
- Overnight VRRR for Rs. 6 trn saw interest worth Rs. 5.2 trn, which was fully accepted at 5.24%. A second overnight VRRR for Rs. 1.5 trn saw bids worth Rs. 346.5 bn at the same cut-off rate

## International

**Global economic activity resilient in Aug'26 (Source: S&P Global):**

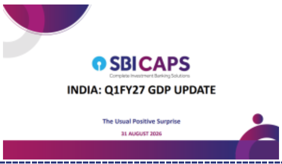
- Global Composite PMI soared to a 27-month high of 53.5, helped by the Services PMI registering a stellar 53.5, overtaking the manufacturing index. Steep growth was seen in financial services
- US Services PMI scorched to 56.5, a 20-month high, with new customer wins galore. Composite PMI was at a 52-month high of 56.0 with both engines contributing
- Eurozone Services PMI dipped slightly to 51.6 from 51.7 in Jul'26. Consequently, Composite PMI remained unchanged at 52.0

**US trade deficit bloats in Jul'26 (Source: NYT):** Overall trade deficit touched USD 88.6 bn, a monstrous 24.4% m/m rise. The gap is now at the highest level since Mar'25 – the month before 'Liberation Day'. Imports jumped 2.8% vs. a 2.1% dip in exports. There was a sharp rebound in AI-related goods imports, and some importers were also stocking up ahead of tariffs which kicked in on 24 Jul'26.

**US Fed officials express on the economy (Source: Fortune, Reuters):**

- Mr. Goolsbee said that AI is not far from overheating the economy. He harkened back to the good-old days when he said the focus was on ordinary Americans, AI hype, and inflation control
- Mr. Waller took a softer stance, saying he was willing to give inflation one more chance to cool down and wait at the next meeting

# Our Recent Publications

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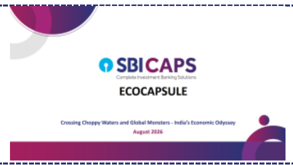



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*July 2026*



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*July 2026*

**Monthly EcoCAPSule: Wish Of The Indian Economy - Fewer Dark Clouds And More Rainfall**

*June 2026*



**Q4FY26 GDP & FY26: WILL AN AUSPICIOUS FY26 BE A GOOD OMEN FOR FY27?**

*June 2026*

**RBI MPC: RBI SAYS 'THIS TOO SHALL PASS'**

*June 2026*



**Report on Power Sector: DISCOM Privatisation – A Path to Achieve State Fiscal Targets**

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