

1 October 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	5.29	6
US 2Y*	4.88	0
Germany 10Y	3.58	-4
UK 10Y	5.42	1
Japan 10Y	3.06	0

Source: Bloomberg, *semi-annual

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	6.89	4
6.94% GS 2036* (10Y)	7.19	3
7.06% GS 2041*	7.38	3
1-Month T-bill	5.19	-2
3-Month T-bill	5.50	4
6-Month T-bill	5.95	10
12-Month T-bill	6.17	11

Source: CCIL, Bloomberg, *semi-annual

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	123	105	74	84
AA	201	180	153	169
A	388	365	339	356

Source: FIMMDA, as on 29 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	8.61
SOFR	3.88

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	72,480	-0.1
NIFTY	22,620	-0.4
NASDAQ	26,861	0.2
S&P 500	7,652	-0.3
Nikkei 225	66,754	1.9
Euro Stoxx 50	6,269	-0.8

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	97.4	-5.7
Natural gas Nymex (USD/MMBtu)	3.0	-1.0
Gold Comex (USD/t oz.)	4,188.9	0.2
Copper Comex (USD/lb)	660.0	-0.6
Wheat cbot (USD/bu.)	674.5	-2.9

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	95.83	-0.2
GBP/ INR	127.19	0.2
EUR/ INR	108.62	-0.1
EUR/USD	1.13	-0.1
DX Index	101.58	0.2

Source: Bloomberg, Morningstar, Marketwatch

Key Events

India: G-sec & VRRR Auctions; **Manufacturing PMI Sep'26:** India, US, Eurozone, Japan

Domestic

Union fiscal deficit increases in Aug'26 (Source: CGA, CEIC):

- Gross tax revenue was up 6.5% y/y to Rs. 14.3 trn in 5MFY27, with net revenue growth subdued due to higher transfer to States/UT
- Collection of direct tax across categories was impressive. GST collections remain depressed in 5MFY27 due to unfavourable base
- Total expenditure was up 10.5%, reaching 38.9% of FY27BE. Capex was refulgent, rising 18.2%, while revex also registered healthy rise owing to subsidy burden
- Fiscal deficit was thus at 41.9% of FY27BE and up 18.7%

Cabinet approves Green Energy Corridor Phase III (Source: PIB): A total project outlay of Rs. 1.86 trn is envisaged to be spent by FY33, comprising of Rs. 1.36 trn for InSTS lines and Rs. 500 bn for 50 GWh BESS. The initiative will help in evacuation of 135 GW of RE power. Greenfield InSTS projects will be taken up via TBCB, with brownfield projects under cost-plus model. STUs will implement the same.

Credit growth remains strong in Aug'26 even as rates show mixed movement (Source: RBI):

- Non-food bank credit advanced by 18.8% y/y as of Aug'26, with industry at 18.2%, services clocking 24.3%, personal loans at 16.9%, and agriculture segment printing 17.2%
- Sectors to star in industry credit growth were 'all engineering', 'gems & jewellery', and 'vehicle, vehicle parts & transport equipment'
- 1-year MCLR was down 9bps to 8.61% in Sep'26. In Aug'26, WALR (fresh) rose by 11bps to 8.61%
- WADTDR (fresh) was down by 18bps to 5.67% as FCNR(B) inflows eased pressure

Cabinet approves MSP for Rabi crops (Source: PIB, ET): The Union has revised the MSP for 6 crops. The MSP per quintal of crops is as follows: wheat is Rs. 2,610 (prev. Rs. 2,585), lentil is Rs. 7,390 (prev. Rs 7,000), mustard & rapeseed is Rs. 6,613 (prev. Rs. 6,200). Largest margin over cost is provided for wheat.

External debt rose in Jun'26 (Source: RBI): External debt was USD 778.2 bn and external debt to GDP ratio moderated to 20.8%, with large increase in debt consumed mainly by 'Central Bank' and 'intercompany lending'.

International

US economy surges ahead of expectations (Source: US BEA, ADP): Real GDP in Q2CY26 motored ahead by 2.2% q/q saar, ahead of 1.5% estimated earlier. Consumer spending chugged forward faster, and investment increased at nearly double the pace previously envisaged. Sectorally, growth was impressive in real estate, information, and durable goods manufacturing. Data released on the same day showed private payrolls expanded by 90k (forecast: 73k) indicating healthy labour market.

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US consumers paid less than feared in Aug'26 but US Fed policymakers are unmoved (Source: Reuters): Headline PCE inflation was recorded at 3.4% y/y with Jul'26 figure downwardly revised. Similarly, Core PCE printed 3.0%, well below estimate and virtually unchanged from the rate of last month. Notably, the measure is above the US Fed's target of 2.0%. The backward revisions are partially attributed to methodological changes. Nevertheless, US Fed speakers commenting the same day, Mr. Kashkari and Ms. Cook said the fight against inflation must continue.

Trade gap widens for the US (Source: Reuters): The goods trade shortfall gaped 11.5% m/m to USD 132.6 bn in Aug'26, worse than forecast. Responsible was a 5.5% m/m surge in imports, dominated by industrial supplies, capital goods, and food, even as consumer goods purchases eased. Exports too advanced, but at a more languid pace.

European countries report searing inflation (Source: Reuters): Energy backed inflation has affected countries in the Eurozone. France's inflation rate was 3.4% y/y in Sep26 (Aug'26: 2.6%), for Italy it jumped to 4.1% (Aug'26: 3.2%), in Spain the rate rose to 5.0% (Aug'26: 4.6%) and in Germany, inflation rose sharply in five key states.

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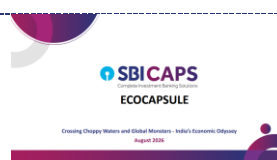


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<u>Name</u>	Venkatesh Balakrishnan
<u>Qualification</u>	PGDM
<u>Designation</u>	Head- Credit Research

Details of Research Analyst entity Name	SBI Capital Markets Limited
Registration Number	INH000007429
Address	15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400 051
Telephone Number	+91 22 4196 8300
Compliance Officer	Bhaskar Chakraborty
Email id	compliance.officer@sbicaps.com
Telephone Number	+91 22 4196 8542

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