2 November 2026

The Daily Digest

Foreign G-Sec Bond Yield		
G-sec	Yield (in %)	1D Change (bps)
US 10Y*	4.93	2
US 2Y*	4.59	2
Germany 10Y	3.32	-3
UK 10Y	5.28	-1
Japan 10Y	2.76	-1

*Source: Bloomberg, *semi-annual*

G-sec yield		
G- Sec	Yield (in %)	1D Change (bps)
6.36% GS 2031*	7.19	2
6.94% GS 2036* (10Y)	7.41	2
7.06% GS 2041*	7.60	3
1-Month T-bill	5.50	-4
3-Month T-bill	5.91	1
6-Month T-bill	6.54	1
12-Month T-bill	6.66	0

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

Spreads in bps for Corporates				
Annualized Spreads	3-year	5-year	7-year	10-year
AAA	111	107	78	93
AA	180	182	156	174
A	366	362	338	360

Source: FIMMDA, as on 29 October, 2026

Key rates	
Policy	Rate (in %)
Repo rate	5.50
Standing Deposit Facility Rate	5.25
Bank rate	5.75
1-year median MCLR of SCBs	8.55
SOFR	3.94

Source: RBI, Federal Reserve Bank of New York

Major Equity Indices		
Indices	Last	1D Change (%)
BSE SENSEX	74,460	0.4
NIFTY	23,053	0.5
NASDAQ	25,437	-2.9
S&P 500	7,580	-1.8
Nikkei 225	63,290	-2.1
Euro Stoxx 50	6,131	-1.2

Source: Google Finance

Commodities Futures		
Commodities	Last	1D Change (%)
Brent Crude (USD/bbl)	110.2	-5.2
Natural gas Nymex (USD/MMBtu)	2.9	0.0
Gold Comex (USD/t oz.)	3,904.1	-2.7
Copper Comex (USD/lb)	648.3	-1.2
Wheat cbot (USD/bu.)	601.8	-0.7

Source: Bloomberg

Exchange Rates		
Currency pair	Rate	1D Change (%)
USD/ INR	94.96	-0.3
GBP/ INR	127.04	-0.4
EUR/ INR	102.98	-3.4
EUR/USD	1.12	-0.3
DXY Index	101.95	0.2

Source: Bloomberg, Morningstar, Marketwatch

Key Events

Manufacturing PMI Oct'26: India, China, US, Japan, Eurozone; **Germany:** Retail Sales Sep'26

Domestic

Union fiscal deficit widens in H1FY27 (Source: CGA, CEIC, FE):

- Gross tax revenue was up 6.1% y/y to Rs. 19.8 trn, with net revenue growth subdued at 3.8% due to higher transfer to states & UTs. Collection of direct tax across categories was impressive, while GST collections were sub-par due to base effect
- Total expenditure was up 10.7%, reaching 47.7% of FY27BE. Capex rose 12.7%, and revex registered significant rise owing to subsidy burden
- Fiscal deficit thus widened to 42.1% of FY27BE and clocked Rs. 7.14 trn, up 25% y/y

GST collections boom in Oct'26 (Source: ET): Gross GST collections were up 22.9% y/y to Rs. 2.31 trn. Domestic transaction related collections rose 15.8%, with import revenues again leading the charge by soaring 42.2% to Rs. 722.5 bn. CGST chimed in at Rs. 429 bn, with SGST at Rs. 513 bn, and IGST at Rs. 1.37 trn. Net GST stood at Rs. 2.03 trn, up 25.6%, as refunds slowed.

High-frequency indicators in Oct'26 are rosy (Source: ET, PIB):

- Power consumption was up 21.9% y/y to 159.8 BU, with peak power demand touching 260.7 GW
- CIL's coal mining grew to 67.2 mn tonnes - highest ever for October. Supply was at the highest ever at 70.3 mn tonnes (up 19% y/y)
- PV sales surpassed 500k monthly wholesales for the first time
- UPI transaction volume rose 5.8% m/m, while value of payments was up 7.4%

Credit growth continues strengthening in Sep'26 (Source: RBI):

- Non-food bank credit grew by 19.1% y/y as of Sep'26, with industry at 19.5%, services advancing 28.3%, personal loans at 17.3%, and agriculture segment clocking 19.5%
- Sectors to excel in industry credit growth were 'all engineering', 'gems & jewellery', and 'construction'
- 1-year MCLR was down 6 bps to 8.55% in Oct'26. In Sep'26, WALR (fresh) declined by 10 bps to 8.51%
- WADTDR (fresh) was down by 6 bps to 5.61%

Union tweaks levies on petrol, diesel and ATF exports (Source: ET): Special additional excise duty on petrol exports is scrapped while levy on diesel exports is raised by Rs. 3 per litre and on ATF by Rs. 0.5 per litre to manage unsettled crude supplies, volatility and shipping risk conditions.

Union releases funds to states (Source: ET): Rs. 1.09 trn as tax devolution was transferred to states to increase capex and development and welfare commitments. Uttar Pradesh received the largest allocation followed by Bihar while Odisha and Andhra Pradesh received the least amounts.

Continued…

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International

US Fed officials express on future rate increase (Source: Reuters): Ms. Logan called out current level of inflation unacceptable, advocating for 25 bps rate hike. Mr. Musalem also favoured firming of policy and that incremental adjustments would be less disruptive. Mr. Barkin stated that direction of rate hike is straightforward however pace needs to be gradual.

US-Iran deal moves a step ahead towards finalisation (Source: ET): Draft framework proposes transfer of Iran's enriched uranium stockpile to a third country as well as 7 days to reopen the strait of Hormuz. Media sources suggest that China could be a guarantor.

Eurozone grows faster than market expectations (Source: Reuters): Euro area grew by 0.4% q/q in Q3CY26, with the pace slowing down form 0.6% recorded in Q2. France's economy shrank with Germany too showing anaemic expansion. Spain saw relatively healthier output.

Germany inflation expected to have an upwards trajectory (Source: Destatis): Consumer inflation recorded 2.8% y/y in Oct'26, with Core inflation at 2.1%. Inflation is driven by a sharp 12.2% rise in energy prices

OPEC+ stabilises production target (Source: Reuters): OPEC+ countries kept production targets steady for Dec'26 even though targets have been boosted for much of CY26 along with completion of the phased rollback of a 1.65 mn bpd supply cut first agreed in CY23.

Chinese economic expansion softens slightly in Oct'26 (Source: Chinadaily):

- Official manufacturing PMI slipped to 49.3 from 50.1 of Sep'26 as overseas orders witnessed a pullback coupled with softer consumer demand. Services PMI edged down to 49.7 from 50.2, pull Composite PMI into contraction
- Rating China manufacturing PMI printed 52.0, a whiff below 52.1 recorded last month, but expansionary

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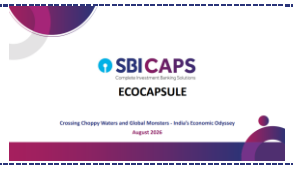


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