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Bank of Baroda

MORNING MOCHA

11 March 2026

ECONOMIST
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As per the IIF, portfolio flows to emerging market slowed down to US$ 22bn in Feb'26 across both debt and equity. This is partly on account of the worsening global risk sentiment due to the Middle East conflict. While remaining positive, the global debt flows were well spread across regions. Equity flows on the other hand, were more uneven. On the domestic front, the Cabinet has approved the extension of the Jal Jeevan Mission till 2028 with the outlay of Rs 8.7 lakh cr. It has been restructured with the focus on service delivery, drinking water governance along with digital mapping to incorporate 'transparency and accountability'. Additionally, FDI guidelines have been eased for investments from countries sharing land border. This will provide higher inflows from global funds for start-ups and deep tech firms.

- Barring US indices, other global stocks rebounded as investors' tracked developments in the Middle East with crude oil prices slipping below the US$90 mark. Amongst other indices, Nikkei rose the most. In India, Sensex too inched up with strong gains in auto and consumer durable stocks. However, it is trading lower today, while other Asian stocks are trading mixed.

Table 1 – Stock markets

	9-03-2026	10-03-2026	Change, %
Dow Jones	47,741	47,707	(0.1)
S & P 500	6,796	6,781	(0.2)
FTSE	10,250	10,412	1.6
Nikkei	52,729	54,248	2.9
Hang Seng	25,408	25,960	2.2
Shanghai Comp	4,097	4,123	0.6
Sensex	77,566	78,206	0.8
Nifty	24,028	24,262	1.0

Source: Bloomberg, Bank of Baroda Research

- Except Asian currencies, other currencies depreciated against the US$. DXY also fell by 0.4%. Decline in oil prices has reduced inflationary risks and expectations of rate hike by major central banks. CNY rose, tracking uptick in export data. INR also edged up, noting decline in oil prices. It is trading weaker today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	9-03-2026	10-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1636	1.1611	(0.2)
GBP/USD (1 GBP / USD)	1.3437	1.3418	(0.1)
USD/JPY (JPY / 1 USD)	157.67	158.05	(0.2)
USD/INR (INR / 1 USD)	92.33	91.81	0.6
USD/CNY (CNY / 1 USD)	6.9070	6.8685	0.6
DXY Index	99.18	98.83	(0.4)

Source: Bloomberg, Bank of Baroda Research

- Apart from US (higher) and China (flat), other 10Y yield softened. US 10Y yield rose, tracking stronger than expected labour market (ADP employment) and existing home sales data. UK's 10Y bond yield fell the most, as investors pare back expectation of rate hike by BoE. India's 10Y yield fell by 4bps, helped by slide in oil prices. It is trading further lower today at 6.66%.

Table 3 – Bond 10Y yield

	9-03-2026	10-03-2026	Change, bps
US	4.10	4.16	6
UK	4.65	4.55	(9)
Germany	2.86	2.84	(2)
Japan	2.19	2.18	(1)
China	1.82	1.82	0
India	6.72	6.67	(4)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	9-03-2026	10-03-2026	Change, bps
Tbill-91 days	5.34	5.30	(4)
Tbill-182 days	5.58	5.56	(2)
Tbill-364 days	5.65	5.61	(4)
G-Sec 2Y	5.66	5.81	15
India OIS-2M	5.42	5.39	(3)
India OIS-9M	5.72	5.60	(12)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.65	3.65	0

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	9-03-2026	10-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.2	2.7	(0.5)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	6-03-2026	9-03-2026	change (US$ mn/Rs cr)
FII (US$ mn)	(888.5)	(829.8)	58.8
Debt	(196.0)	(117.9)	78.1
Equity	(692.5)	(711.9)	(19.4)
Mutual funds (Rs cr)	(3,833.8)	(3,352.1)	481.7
Debt	(6,583.8)	(7,377.3)	(793.5)
Equity	2,750.0	4,025.2	1,275.2

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 5th & 6th Mar 2026

- Crude oil prices slipped amidst reports of reserve release by IEA.

Table 7 – Commodities

	9-03-2026	10-03-2026	Change, %
Brent crude (US$/bbl)	99.0	87.8	(11.3)
Gold (US$/ Troy Ounce)	5,138.5	5,192.0	1.0
Copper (US$/ MT)	12,886.8	13,047.6	1.2
Zinc (US$/MT)	3,300.3	3,312.1	0.4
Aluminium (US$/MT)	3,385.5	3,406.0	0.6

Source: Bloomberg, Bank of Baroda Research

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