MORNING MOCHA

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ECONOMIST
Sonal Badhan

US Senate has passed the bill to end the longest US government shutdown so far, with a vote of 60-40, providing government the funding required till Jan'26. This bill will now go the House where Republicans have a majority. Investors now await release of official macro data to gauge Fed's rate trajectory. Recently, US Treasury Secretary Scott Bessent warned of higher economic damage if government remains in shutdown. As a result, gold as a safe-haven asset continues to perform well and is currently trading near its 2-week high. Separately, Japan's current account surplus rose to a record high of ¥17.51tn (+14.1% YoY) as imports declined and exports rose. Lower imports were on account of falling energy prices, while exports got support from demand of semiconductors by China, Hong Kong and Taiwan.

- Global indices closed higher. Lifted by upbeat sentiments, US indices advanced on the possibility that the US government shutdown will end. Major gains were noted in technology and specifically AI related stocks. Hang Seng surged to a nearly 1-month high. Sensex too inched up with gains in capital good stocks. However, it is trading lower today in line with other Asian indices.

Table 1 – Stock markets

	07-11-2025	10-11-2025	Change, %
Dow Jones	46,987	47,369	0.8
S & P 500	6,729	6,832	1.5
FTSE	9,683	9,787	1.1
Nikkei	50,276	50,912	1.3
Hang Seng	26,242	26,649	1.6
Shanghai Comp	3,998	4,019	0.5
Sensex	83,216	83,535	0.4
Nifty	25,492	25,574	0.3

Source: Bloomberg, Bank of Baroda Research

- Global currencies closed mixed. DXY index remained steady amidst the news of US shutdown nearing end and ahead of the key labour reports. Yen remained under pressure given weaker data (household spending lower than expected) and uncertainty around BoJ's policy outlook. INR closed flat. It is trading weaker today while Asian currencies are trading mixed.

Table 2 – Currencies

	07-11-2025	10-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1566	1.1557	(0.1)
GBP/USD (1 GBP / USD)	1.3162	1.3175	0.1
USD/JPY (JPY / 1 USD)	153.42	154.15	(0.5)
USD/INR (INR / 1 USD)	88.67	88.70	0
USD/CNY (CNY / 1 USD)	7.1221	7.1186	0
DXY Index	99.60	99.59	0

Source: Bloomberg, Bank of Baroda Research

- Global 10Y yields closed mixed. US 10Y yield rose by 2bps as possible end of US government shutdown will result in release of official macro data, which in turn will help gauge Fed's rate cut trajectory. In Japan, worries around the impact of fiscal stimulus on government balances kept investors on edge. India's 10Y fell by 2bps, and is trading flat today, awaiting global cues.

Table 3 – Bond 10Y yield

	07-11-2025	10-11-2025	Change, bps
US	4.10	4.12	2
UK	4.47	4.46	0
Germany	2.67	2.67	0
Japan	1.68	1.71	3
China	1.81	1.81	0
India	6.51	6.49	(2)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	07-11-2025	10-11-2025	Change, bps
Tbill-91 days	5.43	5.42	(1)
Tbill-182 days	5.56	5.55	(1)
Tbill-364 days	5.56	5.55	(1)
G-Sec 2Y	5.78	5.78	(1)
India OIS-2M	5.46	5.47	1
India OIS-9M	5.46	5.45	(1)
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.92	3.93	1

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	07-11-2025	10-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.4	2.0	(0.4)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	06-11-2025	07-11-2025	change (US$ mn/Rs cr)
FII (US$ mn)	(335.6)	726.0	1,061.6
Debt	(28.2)	(146.4)	(118.3)
Equity	(307.4)	872.4	1,179.8
Mutual funds (Rs cr)	(1,361.1)	(3,244.1)	(1,883.0)
Debt	(933.5)	(6,367.5)	(5,434.0)
Equity	(427.6)	3,123.4	3,551.0

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 4 Nov and 6 Nov 2025

- Oil prices rose, as end of US government shutdown will revive demand.

Table 7 – Commodities

	07-11-2025	10-11-2025	Change, %
Brent crude (US$/bbl)	63.6	64.1	0.7
Gold (US$/ Troy Ounce)	4,001.3	4,115.8	2.9
Copper (US$/ MT)	10,698.3	10,781.2	0.8
Zinc (US$/MT)	3,208.8	3,257.6	1.5
Aluminium (US$/MT)	2,848.0	2,869.5	0.8

Source: Bloomberg, Bank of Baroda Research

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For further details about this publication, please contact:

Chief Economist
Bank of Baroda
+91 22 6698 5143
chief.economist@bankofbaroda.com