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Global markets got breather from US President's decision to extend trade truce with China for another 90-days. This has fuelled expectations of stabilised trade ties in the near term. Asian stocks got further support in today's morning session with Nikkei hovering at its record high level. Safe-haven demand for gold has also softened. DXY is also trading lower in today's session. On macro front it has been a data light day with all eyes on US CPI. On domestic front, India's foreign exchange reserves fell by US\$ 9.3bn, witnessing the sharpest weekly decline since 15 Nov 2024. This may be on account of likely intervention by RBI amidst a volatile global policy space. In another news, Lok Sabha has passed the revised Income Tax Bill, 2025 which focusses on simplification and rationalisation of the existing Bill.

- Except US, stocks elsewhere closed in green. In the US, focus remains on CPI which will shape the path of monetary policy. Losses were reported in energy and tech sectors. Sensex ended higher led by gains in real estate and banking stocks. Asian stocks are trading higher today, with Nikkei scaling a record high after US-China extended the trade truce. Sensex is also trading higher.

Fig 1 – Stock markets

	10-08-2025	11-08-2025	Change, %
Dow Jones	44,176	43,975	(0.5)
S & P 500	6,389	6,373	(0.3)
FTSE	9,096	9,130	0.4
Nikkei	41,059	41,820	1.9
Hang Seng	24,859	24,907	0.2
Shanghai Comp	3,635	3,648	0.3
Sensex	79,858	80,604	0.9
Nifty	24,363	24,585	0.9

Source: Bloomberg, Bank of Baroda Research, Nikkei was closed on 11 Aug 2025

- Except INR (flat), other global currencies ended broadly weaker against the dollar. DXY rose by 0.3% as investors await US inflation report due later this week. Amongst major currencies, JPY and EUR depreciated the most by 0.3% and 0.2% respectively. INR is trading marginally stronger today, while other Asian currencies are trading mixed.

Fig 2 – Currencies

	10-08-2025	11-08-2025	Change, %
EUR/USD (1 EUR / USD)	1.1641	1.1615	(0.2)
GBP/USD (1 GBP / USD)	1.3452	1.3432	(0.1)
USD/JPY (JPY / 1 USD)	147.74	148.15	(0.3)
USD/INR (INR / 1 USD)	87.66	87.66	0
USD/CNY (CNY / 1 USD)	7.1802	7.1888	(0.1)
DXY Index	98.18	98.52	0.3

Source: Bloomberg, Bank of Baroda Research



- UK's 10Y yield fell the most by 4bps tracking the softening BRC sales data which hinted at some moderation in retail sales. 10Y yields in US and Germany were rangebound monitoring trade related developments. India's 10Y yield rose by 3bps as tariff concerns linger and some normalisation in liquidity is seen. It is trading flat today.

Fig 3 – Bond 10Y yield

	10-08-2025	11-08-2025	Change, bps
US	4.28	4.28	0
UK	4.60	4.57	(4)
Germany	2.69	2.70	1
Japan	1.49	1.49	0
China	1.70	1.72	2
India	6.41	6.44	3

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	10-08-2025	11-08-2025	Change, bps
Tbill-91 days	5.43	5.44	1
Tbill-182 days	5.49	5.51	2
Tbill-364 days	5.61	5.51	(10)
G-Sec 2Y	5.74	5.76	3
India OIS-2M	5.48	5.48	0
India OIS-9M	5.47	5.48	1
SONIA int rate benchmark	3.97	3.97	(0)
US SOFR	4.35	4.35	0

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	10-08-2025	11-08-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.1	2.8	(0.3)
Reverse Repo	0	1.5	1.5
Repo*	0	0	0

Source: RBI, Bank of Baroda Research, *Includes LTRO

Fig 6 – Capital market flows

	07-08-2025	08-08-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(604.9)	371.6	976.5
Debt	24.5	49.1	24.5
Equity	(629.4)	322.6	952.0
Mutual funds (Rs cr)	(1,448.0)	4,807.7	6,255.6
Debt	(7,158.2)	(4,295.7)	2,862.5
Equity	5,710.3	9,103.3	3,393.1

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 6 Aug and 7 Aug 2025

- Oil prices were marginally higher awaiting talks between US and Russia.

Fig 7 – Commodities

	10-08-2025	11-08-2025	Change, %
Brent crude (US\$/bbl)	66.6	66.6	0.1
Gold (US\$/ Troy Ounce)	3,397.8	3,342.4	(1.6)
Copper (US\$/ MT)	9,692.5	9,648.3	(0.5)
Zinc (US\$/MT)	2,826.8	2,818.4	(0.3)
Aluminium (US\$/MT)	2,609.0	2,588.0	(0.8)

Source: Bloomberg, Bank of Baroda Research



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