

MORNING MOCHA

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Global markets are expected to experience another turbulent week as the US President announced a complete blockade of Strait of Hormuz, after US-Iran peace talks ended without a deal. Oil prices are trading higher today, and Asian markets are trading in red. In other developments, US CPI rose by 0.9% in Mar'26 (MoM), after increasing by 0.3% in Feb'26. This was led by a sharp uptick in gasoline prices. On a YoY basis, CPI advanced 3.3% in Mar'26, following a 2.4% increase in Feb'26. The data follows comments from the US President stating that oil and energy prices are likely to stay elevated upto Nov'26. University of Michigan's consumer sentiment index plunged to a record low of 47.6 in Apr'26 from 53.3 in Mar'26. Consumers' 1Y inflation expectations surged to 4.8% compared with 3.8% last month. Separately, ADB has revised India's GDP forecast for FY27 to 6.9% from 6.5% expected earlier. However, it noted that risks could emerge from a prolonged crisis in Middle East.

- Global indices closed mixed monitoring developments in the Middle East. US stocks moderated, while Asian stocks were higher. Nikkei rose the most tracking a weaker yen. Sensex edged up, led by auto stocks. It is trading lower today, in line with Asian peers after US' announcement of blockade of Strait of Hormuz.

Table 1 – Stock markets

	09-04-2026	10-04-2026	Change, %
Dow Jones	48,186	47,917	(0.6)
S & P 500	6,825	6,817	(0.1)
FTSE	10,603	10,601	0
Nikkei	55,895	56,924	1.8
Hang Seng	25,752	25,894	0.5
Shanghai Comp	3,966	3,986	0.5
Sensex	76,632	77,550	1.2
Nifty	23,775	24,051	1.2

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended mixed. DXY eased as investors awaited outcome of peace talks. Amongst major currencies, EUR and GBP gained 0.2% each. INR depreciated a tad despite lower oil prices. It is trading further weaker today, in line with other Asian currencies as US-Iran peace talks collapsed.

Table 2 – Currencies

	09-04-2026	10-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1699	1.1723	0.2
GBP/USD (1 GBP / USD)	1.3436	1.3462	0.2
USD/JPY (JPY / 1 USD)	158.96	159.27	(0.2)
USD/INR (INR / 1 USD)	92.66	92.73	(0.1)
USD/CNY (CNY / 1 USD)	6.8307	6.8292	0
DXY Index	98.82	98.65	(0.2)

Source: Bloomberg, Bank of Baroda Research



- Barring India (lower) and China (stable), global yields closed higher. UK's 10Y yield rose at the sharpest pace, followed by Germany led by an improvement in risk sentiments. India's 10Y yield fell by 5bps. The cut off yield for 6.48% GS 2035 security came in 25bps higher in the current auction. Thus, India's 10Y yield is trading higher at 6.97% today.

Table 3 – Bond 10Y yield

	09-04-2026	10-04-2026	Change, bps
US	4.28	4.32	4
UK	4.75	4.84	9
Germany	2.99	3.06	7
Japan	2.39	2.44	5
China	1.81	1.81	0
India	6.96	6.91	(5)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	09-04-2026	10-04-2026	Change, bps
Tbill-91 days	5.26	5.25	(1)
Tbill-182 days	5.39	5.43	4
Tbill-364 days	5.60	5.60	0
G-Sec 2Y	6.11	6.09	(3)
India OIS-2M	5.34	5.33	(1)
India OIS-9M	5.67	5.65	(2)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.59	3.57	(2)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	09-04-2026	10-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	4.6	5.5	0.9

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	08-04-2026	09-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(148.0)	(239.2)	(91.2)
Debt	2.7	(16.6)	(19.3)
Equity	(150.8)	(222.7)	(71.9)
Mutual funds (Rs cr)	6,112.9	9,630.5	3,517.6
Debt	31.4	5,946.2	5,914.8
Equity	6,081.5	3,684.4	(2,397.1)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 6 Apr and 7 Apr 2026

- Oil prices were a tad weaker but are trading significantly higher today as US-Iran peace talks ended without a resolution.

Table 7 – Commodities

	09-04-2026	10-04-2026	Change, %
Brent crude (US\$/bbl)	95.9	95.2	(0.8)
Gold (US\$/ Troy Ounce)	4,766.9	4,749.8	(0.4)
Copper (US\$/ MT)	12,585.9	12,819.4	1.9
Zinc (US\$/MT)	3,304.5	3,322.5	0.5
Aluminium (US\$/MT)	3,444.0	3,498.5	1.6

Source: Bloomberg, Bank of Baroda Research



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