## MORNING MOCHA

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US President Donald Trump has signed the funding bill, effectively ending the 43-day long government shutdown. Investors now await the release of official macro data. Shutdown is expected to have impacted labour market, thus making a stronger case for 25bps rate cut by Fed in Dec'25. Separately, in Japan, new PM has signalled that it would be beneficial for the economy if policy rates continue to remain low for some time. Japan's PPI (MoM) rose by 0.4% (est.: 0.3%) in Oct'25, up from 0.3% in the month before, making it difficult for BoJ to keep rates on hold. Elsewhere in Australia, RBA is debating if its policy is restrictive enough as inflation in Q3 remains elevated at 2.6% and unemployment rate is coming down. Domestically, CPI eased to 0.3% in Oct'25 from 1.4% in Sep'25, helped by lower food inflation.

- Barring Shanghai Comp, other indices closed higher. S&P 500 gained with investors hoping for another rate cut and economic activity picking up amidst the news of government reopening. Amongst other indices, Hang Seng soared to a 1-month high. Sensex edged up with strong gains in consumer durable and IT related stocks. However, it is trading lower today, in line with Asian indices.

**Table 1 – Stock markets**

| | 11-11-2025 | 12-11-2025 | Change, % |
|---|---|---|---|
| Dow Jones | 47,928 | 48,255 | 0.7 |
| S & P 500 | 6,847 | 6,851 | 0.1 |
| FTSE | 9,900 | 9,911 | 0.1 |
| Nikkei | 50,843 | 51,063 | 0.4 |
| Hang Seng | 26,696 | 26,923 | 0.8 |
| Shanghai Comp | 4,003 | 4,000 | (0.1) |
| Sensex | 83,871 | 84,467 | 0.7 |
| Nifty | 25,695 | 25,876 | 0.7 |

Source: Bloomberg, Bank of Baroda Research

- Global currencies closed mixed. DXY index strengthened amidst news of a possible political resolution on the shutdown. JPY remained under pressure nearing the 155-mark with the possibility of intervention and concerns around Japan's fiscal stance. INR depreciated given lower oil prices. It is trading weaker today while other Asian currencies are trading mixed.

**Table 2 – Currencies**

| | 11-11-2025 | 12-11-2025 | Change, % |
|---|---|---|---|
| EUR/USD (1 EUR / USD) | 1.1582 | 1.1593 | 0.1 |
| GBP/USD (1 GBP / USD) | 1.3150 | 1.3133 | (0.1) |
| USD/JPY (JPY / 1 USD) | 154.16 | 154.79 | (0.4) |
| USD/INR (INR / 1 USD) | 88.57 | 88.64 | (0.1) |
| USD/CNY (CNY / 1 USD) | 7.1173 | 7.1110 | 0.1 |
| DXY Index | 99.44 | 99.50 | 0.1 |

Source: Bloomberg, Bank of Baroda Research

- Global 10Y yields ended lower/flat. US 10Y fell by 5bps, as investors await release of official macro data after the end of government shutdown. Germany's slowing inflation in Oct'25 revived hopes that ECB may cut rates twice more in CY26. India's 10Y was also down by 2bps, supported by declining oil prices. However, it is trading a tad higher today, at 6.47%.

**Table 3 – Bond 10Y yield**

| | 11-11-2025 | 12-11-2025 | Change, bps |
|---|---|---|---|
| US | 4.12 | 4.07 | (5) |
| UK | 4.39 | 4.40 | 1 |
| Germany | 2.66 | 2.64 | (2) |
| Japan | 1.69 | 1.69 | 0 |
| China | 1.81 | 1.80 | (1) |
| India | 6.48 | 6.46 | (2) |

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

| | 11-11-2025 | 12-11-2025 | Change, bps |
|---|---|---|---|
| Tbill-91 days | 5.43 | 5.42 | (1) |
| Tbill-182 days | 5.53 | 5.57 | 4 |
| Tbill-364 days | 5.53 | 5.56 | 3 |
| G-Sec 2Y | 5.78 | 5.78 | 0 |
| India OIS-2M | 5.47 | 5.46 | (1) |
| India OIS-9M | 5.45 | 5.44 | (1) |
| SONIA int rate benchmark | 3.97 | 3.97 | 0 |
| US SOFR | 3.93 | 3.95 | 2 |

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

| Rs tn | 11-11-2025 | 12-11-2025 | Change (Rs tn) |
|---|---|---|---|
| Net Liquidity (-deficit/+surplus) | 2.1 | 2.1 | 0 |

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

| | 10-11-2025 | 11-11-2025 | change (US$ mn/Rs cr) |
|---|---|---|---|
| FII (US$ mn) | (506.6) | 392.3 | 898.9 |
| Debt | 61.1 | 146.3 | 85.2 |
| Equity | (567.8) | 245.9 | 813.7 |
| Mutual funds (Rs cr) | 2,552.9 | (163.7) | (2,716.6) |
| Debt | (3,441.7) | (5,014.5) | (1,572.8) |
| Equity | 5,994.7 | 4,850.8 | (1,143.9) |

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 7 Nov and 10 Nov 2025

- Oil prices fell, tracking news of rising crude inventories in the US and OPEC+ surplus estimates for next year.

**Table 7 – Commodities**

| | 11-11-2025 | 12-11-2025 | Change, % |
|---|---|---|---|
| Brent crude (US$/bbl) | 65.2 | 62.7 | (3.8) |
| Gold (US$/ Troy Ounce) | 4,126.9 | 4,195.4 | 1.7 |
| Copper (US$/ MT) | 10,805.7 | 10,929.9 | 1.1 |
| Zinc (US$/MT) | 3,183.5 | 3,203.3 | 0.6 |
| Aluminium (US$/MT) | 2,874.5 | 2,894.5 | 0.7 |

Source: Bloomberg, Bank of Baroda Research

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