

MORNING MOCHA

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ECONOMIST
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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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