MORNING MOCHA

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As US government shutdown ends, investors are hopeful that economic activity will return to normal in course of time. They also await CPI and labour market data to gauge the probability of Dec'25 rate cut by Fed (current at 49.6% as per CME FedWatchTool). Separately in the UK, GDP growth (QoQ basis) remains muted as it slowed to 0.1% in Q3CY25 (est.: 0.2%), from 0.3% in Q2. This was led by (-) 2% decline in manufacturing. Government spending and GCF also acted as a drag. However, household expenditure and exports picked up pace. Elsewhere in China, industrial output moderated to 1-yr low of 4.9% in Oct'25 (est.: 5.5%; 6.5% in Sep'25), and retail sales growth eased to 2.9% versus 3% last month. FAI also continues to contract at a steeper pace of (-) 1.7% between Jan-Oct'25 versus (-) 0.5% between Jan-Sep'25.

- Global indices closed mixed. US indices tumbled as hopes of next Fed rate cut started to fade amidst hawkish commentary by Fed officials. FTSE too slipped after weaker than expected Q3CY25 GDP growth (0.1% from 0.3% in Q2). Asian indices inched up. Sensex closed flat amidst volatility. However, it is trading lower today in line with other Asian indices.

Table 1 – Stock markets

	12-11-2025	13-11-2025	Change, %
Dow Jones	48,255	47,457	(1.7)
S & P 500	6,851	6,737	(1.7)
FTSE	9,911	9,808	(1.0)
Nikkei	51,063	51,282	0.4
Hang Seng	26,923	27,073	0.6
Shanghai Comp	4,000	4,030	0.7
Sensex	84,467	84,479	0
Nifty	25,876	25,879	0

Source: Bloomberg, Bank of Baroda Research

- Barring INR (flat), other global currencies closed higher against the dollar. DXY index weakened amidst uncertainly pertaining to the Fed's rate action. EUR and GBP gained the most. INR remained steady amidst ongoing RBI's intervention. However, it is trading weaker today while Asian currencies are trading mixed.

Table 2 – Currencies

	12-11-2025	13-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1593	1.1633	0.3
GBP/USD (1 GBP / USD)	1.3133	1.3192	0.4
USD/JPY (JPY / 1 USD)	154.79	154.56	0.1
USD/INR (INR / 1 USD)	88.64	88.67	0
USD/CNY (CNY / 1 USD)	7.1110	7.0961	0.2
DXY Index	99.50	99.16	(0.3)

Source: Bloomberg, Bank of Baroda Research

- Except China, other global 10Y yields ended higher. US 10Y rose by 5bps, tracking hawkish commentary from Fed officials regarding Dec'25 rate cut. Germany's yield also rose by 5bps. Investors remain uncertain about the timing and size of the fiscal stimulus package. India's 10Y was up by 1bps, tracking oil prices. Following global cues, it is trading even higher today at 6.48%.

Table 3 – Bond 10Y yield

	12-11-2025	13-11-2025	Change, bps
US	4.07	4.12	5
UK	4.40	4.44	4
Germany	2.64	2.69	5
Japan	1.69	1.70	1
China	1.80	1.81	0
India	6.46	6.47	1

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	12-11-2025	13-11-2025	Change, bps
Tbill-91 days	5.42	5.41	(1)
Tbill-182 days	5.57	5.55	(2)
Tbill-364 days	5.56	5.54	(2)
G-Sec 2Y	5.78	5.78	0
India OIS-2M	5.46	5.46	0
India OIS-9M	5.44	5.44	0
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.95	3.98	3

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	12-11-2025	13-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.1	2.4	0.3

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)	392.3	184.3	(207.9)
Debt	146.3	236.5	90.1
Equity	245.9	(52.1)	(298.1)
Mutual funds (Rs cr)	(163.7)	(2,695.5)	(2,531.8)
Debt	(5,014.5)	(3,349.4)	1,665.1
Equity	4,850.8	653.9	(4,196.9)

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

- Oil prices rose a tad, supported by re-opening of the US government.

Table 7 – Commodities

	12-11-2025	13-11-2025	Change, %
Brent crude (US$/bbl)	62.7	63.0	0.5
Gold (US$/ Troy Ounce)	4,195.4	4,171.5	(0.6)
Copper (US$/ MT)	10,929.9	10,950.0	0.2
Zinc (US$/MT)	3,203.3	3,176.5	(0.8)
Aluminium (US$/MT)	2,894.5	2,896.5	0.1

Source: Bloomberg, Bank of Baroda Research

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