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Global markets cheered reports of further peace talks between US and Iran. Even so the continued uncertainty cast a shadow over global growth outlook. IMF revised its global growth estimate lower to 3.1% in 2026 and 3.2% in 2027, under its 'reference forecast'. This assumes that the ongoing geo-political tensions are 'short-lived' and that normalcy returns by H2 2026. Oil prices are expected to average US\$ 82/bbl in 2026 and US\$ 75/bbl under this scenario. Global inflation is expected to increase marginally to 4.4% in 2026 from 4.1% in 2025. IMF also lists out growth outcomes under 'adverse' and 'severe' scenario based on how long the war prolongs. Under the 'adverse' scenario oil prices are expected to average US\$ 100/bbl in 2026 and US\$ 75/bbl in 2027. Global GDP growth is expected to be 2.5%/2.7% respectively in 2026/27. Under the 'severe' scenario, global GDP growth is expected to slow down to 2%/2.2% in 2026/27, with oil prices expected at US\$ 110/bbl/US\$ 125/bbl. For India, GDP growth has been revised up moderately to 6.5% in FY26 (+0.1%).

- Global indices closed higher amidst anticipation over second round of peace talks between US and Iran. This helped offset concerns of an escalating energy crisis due to blockade of Strait of Hormuz. Nikkei rose the most, followed by US stocks. Sensex is trading higher today, in line with other Asian stocks.

Table 1 – Stock markets

	13-04-2026	14-04-2026	Change, %
Dow Jones	48,218	48,536	0.7
S & P 500	6,886	6,967	1.2
FTSE	10,583	10,609	0.2
Nikkei	56,503	57,877	2.4
Hang Seng	25,661	25,872	0.8
Shanghai Comp	3,989	4,027	1.0
Sensex	77,550	76,848	(0.9)
Nifty	24,051	23,843	(0.9)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 14 Apr 2026

- Global currencies ended mostly stronger. DXY fell by 0.2% as risk sentiment improved on hopes of further peace talks between US and Iran. GBP rose the most by 0.5%. INR is trading stronger today, in line with its Asian peers.

Table 2 – Currencies

	13-04-2026	14-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1759	1.1796	0.3
GBP/USD (1 GBP / USD)	1.3506	1.3567	0.5
USD/JPY (JPY / 1 USD)	159.45	158.79	0.4
USD/INR (INR / 1 USD)	92.73	93.38	(0.7)
USD/CNY (CNY / 1 USD)	6.8302	6.8158	0.2
DXY Index	98.37	98.12	(0.2)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 14 Apr 2026



- UK's 10Y yield fell at the sharpest pace as BoE officials have raised concerns over downside risks to growth. Germany's 10Y yield also fell sharply as ECB President hinted at growth falling below baseline forecast. India's 10Y yield rose by 3bps tracking CPI data. It is trading lower at 6.89% today.

Table 3 – Bond 10Y yield

	13-04-2026	14-04-2026	Change, bps
US	4.29	4.25	(5)
UK	4.87	4.78	(9)
Germany	3.09	3.02	(7)
Japan	2.47	2.42	(5)
China	1.80	1.79	(1)
India	6.91	6.94	3

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 14 Apr 2026

Table 4 – Short term rates

	10-04-2026	13-04-2026	Change, bps
Tbill-91 days	5.25	5.27	2
Tbill-182 days	5.43	5.46	3
Tbill-364 days	5.60	5.58	(2)
G-Sec 2Y	6.09	6.06	(3)
India OIS-2M	5.33	5.30	(3)
India OIS-9M	5.65	5.66	1
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.61	3.63	2

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 14 Apr 2026

Table 5 – Liquidity

Rs tn	10-04-2026	13-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	5.5	5.2	(0.3)

Source: RBI, Bank of Baroda Research | Note: Markets in India were closed on 14 Apr 2026

Table 6 – Capital market flows

	09-04-2026	10-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(239.2)	114.0	353.2
Debt	(16.6)	(48.9)	(32.4)
Equity	(222.7)	162.9	385.6
Mutual funds (Rs cr)	9,774.9	6,682.4	(3,092.5)
Debt	4,830.1	1,195.3	(3,634.8)
Equity	4,944.7	5,487.0	542.3

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 6 Apr and 7 Apr 2026 | Note: Markets in India were closed on 14 Apr 2026

- Oil prices softened amidst hopes of talks of ceasefire between US and Iran.

Table 7 – Commodities

	13-04-2026	14-04-2026	Change, %
Brent crude (US\$/bbl)	99.4	94.8	(4.6)
Gold (US\$/ Troy Ounce)	4,740.3	4,841.8	2.1
Copper (US\$/ MT)	12,996.4	13,253.0	2.0
Zinc (US\$/MT)	3,297.6	3,322.4	0.8
Aluminium (US\$/MT)	3,607.5	3,563.0	(1.2)

Source: Bloomberg, Bank of Baroda Research



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