

MORNING MOCHA

16 February 2026

ECONOMIST

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Global markets monitored US inflation report for further cues on the Fed rate path. US CPI moderated to 0.2% in Jan'26 (est. +0.3%), after increasing by 0.3% in Dec'25 (on a MoM basis). The deceleration was led by lower food and shelter prices. Energy prices too were lower. On a YoY basis, CPI eased to 2.4% in Jan'26 from 2.7%. This has raised the possibility of a rate cut in Jun'26, with futures market largely expecting the Fed to hold rates at current levels until then. Elsewhere, GDP growth in the Eurozone decelerated marginally to 0.3% in Q4 2025 from 0.4% in Q3 2025. In 2025, GDP growth in the Eurozone was 1.5%. In Japan, GDP growth missed expectations at 0.1% in Q4 2025 (est. +0.4%). This follows a contraction of -0.7% in Q3 2025. Private consumption continued to rise at a subdued pace, even as exports dropped less than expected.

- Global stocks ended mixed. Stocks in the US tracked the CPI report. Elsewhere, stocks in Asia ended weaker led by a weakness in tech stocks. Hang Seng dropped the most by 1.7%. In India, Sensex declined by 1.3%. Amongst sub-indices, metal and real estate stocks declined the most. It is trading further lower today, while other Asian stocks are trading mostly higher.

Table 1 – Stock markets

	12-02-2026	13-02-2026	Change, %
Dow Jones	49,452	49,501	0.1
S & P 500	6,833	6,836	0
FTSE	10,402	10,446	0.4
Nikkei	57,640	56,942	(1.2)
Hang Seng	27,033	26,567	(1.7)
Shanghai Comp	4,134	4,082	(1.3)
Sensex	83,675	82,627	(1.3)
Nifty	25,807	25,471	(1.3)

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended broadly stable monitoring US CPI data. Amongst major currencies, GBP appreciated by 0.2%. EUR closed stable even as data showed that GDP growth in the Eurozone eased marginally. INR depreciated a tad. It is trading further weaker today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	12-02-2026	13-02-2026	Change, %
EUR/USD (1 EUR / USD)	1.1871	1.1868	0
GBP/USD (1 GBP / USD)	1.3622	1.3651	0.2
USD/JPY (JPY / 1 USD)	152.74	152.70	0
USD/INR (INR / 1 USD)	90.60	90.64	0
USD/CNY (CNY / 1 USD)	6.9017	6.9049	0
DX Index	96.93	96.92	0

Source: Bloomberg, Bank of Baroda Research



- Except India and China, other global yields closed lower. US 10Y yield dropped the most by 5bps as US inflation moderated paving way for a Jun'26 rate cut. Other global yields also softened, with yields in UK and Germany declining by 4bps and 2bps respectively. India's 10Y closed stable at 6.68% monitoring auction results. It is trading marginally lower at 6.67% today.

Table 3 – Bond 10Y yield

	12-02-2026	13-02-2026	Change, bps
US	4.10	4.05	(5)
UK	4.45	4.42	(4)
Germany	2.78	2.76	(2)
Japan	2.24	2.23	(2)
China	1.78	1.79	1
India	6.68	6.68	0

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	12-02-2026	13-02-2026	Change, bps
Tbill-91 days	5.29	5.27	(2)
Tbill-182 days	5.41	5.41	0
Tbill-364 days	5.56	5.53	(3)
G-Sec 2Y	5.77	5.71	(6)
India OIS-2M	5.32	5.32	0
India OIS-9M	5.42	5.42	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.65	3.65	0

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	12-02-2026	13-02-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.0	3.2	0.2

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	11-02-2026	12-02-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	313.1	255.8	(57.2)
Debt	(30.6)	156.1	186.8
Equity	343.7	99.7	(244.0)
Mutual funds (Rs cr)	(11,093.7)	(5,643.4)	5,450.3
Debt	(8,858.0)	(5,250.0)	3,608.1
Equity	(2,235.6)	(393.4)	1,842.2

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 6th & 9th Feb 2026

- Oil prices rose marginally as US CPI report reignited hopes of Fed rate cuts.

Table 7 – Commodities

	12-02-2026	13-02-2026	Change, %
Brent crude (US\$/bbl)	67.5	67.8	0.3
Gold (US\$/ Troy Ounce)	4,922.2	5,042.0	2.4
Copper (US\$/ MT)	12,780.8	12,774.6	0
Zinc (US\$/MT)	3,345.3	3,307.2	(1.1)
Aluminium (US\$/MT)	3,100.0	3,077.5	(0.7)

Source: Bloomberg, Bank of Baroda Research



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