

## MORNING MOCHA

17 December 2025

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Among major macro releases, has been US jobs data where nonfarm payroll rose by 64K in Nov'25 compared to decline of -105K seen in Oct'25. The private payrolls rose by 69K. The 3-month moving average of nonfarm payroll also edged up by 22K. However, average hourly earnings sequentially moderated by 0.1% in Nov'25. Thus, albeit some degree of softening, visible signs of recovery in labour market conditions cannot be ruled out. Hence, Fed is likely to be cautious in its future monetary policy decisions. Separately Fed officials continued to give divergent signals. Atlanta Fed President said that policy rate should focus on inflation while Chicago Fed President spoke of a more conducive environment for rate cut on the back of stabilised growth. On domestic front, INR breached the 91/\$ mark reigniting concerns on external front.

- Global stocks ended lower as investors' monitored US jobs report. Impact of prolonged government shutdown is expected to have imparted a degree of uncertainty to the data. Markets also monitored flash PMIs of countries. Sensex dipped by 0.6%, tracking global cues. It is however trading higher today, while Asian stocks are trading mixed.

**Table 1 – Stock markets**

	15-12-2025	16-12-2025	Change, %
Dow Jones	48,417	48,114	(0.6)
S & P 500	6,817	6,800	(0.2)
FTSE	9,751	9,685	(0.7)
Nikkei	50,168	49,383	(1.6)
Hang Seng	25,629	25,235	(1.5)
Shanghai Comp	3,868	3,825	(1.1)
Sensex	85,213	84,680	(0.6)
Nifty	26,027	25,860	(0.6)

Source: Bloomberg, Bank of Baroda Research|

- Global currencies ended mixed. DXY dipped by 0.2% as US flash PMIs signalled a further worsening in economic activity in Dec'25. GBP rose by 0.4% as UK's manufacturing PMI surged to a 15-month high. INR depreciated further and crossed the 91/\$ mark. However, it is trading much stronger today, while other Asian currencies are trading mixed.

**Table 2 – Currencies**

	15-12-2025	16-12-2025	Change, %
EUR/USD (1 EUR / USD)	1.1753	1.1747	(0.1)
GBP/USD (1 GBP / USD)	1.3376	1.3423	0.4
USD/JPY (JPY / 1 USD)	155.23	154.72	0.3
USD/INR (INR / 1 USD)	90.73	91.03	(0.3)
USD/CNY (CNY / 1 USD)	7.0480	7.0426	0.1
DXY Index	98.31	98.15	(0.2)

Source: Bloomberg, Bank of Baroda Research



- 10Y yield in US softened weighing comments of central bank officials and tracking jobs data. For UK, it rose by 2bps albeit a near 5-year high unemployment print. Elsewhere, 10Y yields traded in a narrow range. India's 10Y yield softened by 2bps albeit 10-day VRR remaining undersubscribed. It is trading at 6.57% today.

**Table 3 – Bond 10Y yield**

	15-12-2025	16-12-2025	Change, bps
US	4.17	4.15	(3)
UK	4.50	4.52	2
Germany	2.85	2.85	(1)
Japan	1.96	1.96	0
China	1.86	1.85	0
India	6.59	6.58	(2)

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	15-12-2025	16-12-2025	Change, bps
Tbill-91 days	5.27	5.30	3
Tbill-182 days	5.46	5.45	(1)
Tbill-364 days	5.48	5.49	1
G-Sec 2Y	5.79	5.81	1
India OIS-2M	5.34	5.34	0
India OIS-9M	5.41	5.42	1
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.67	3.75	8

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	15-12-2025	16-12-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.2	(0.6)	(1.8)

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	12-12-2025	15-12-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	40.9	(43.2)	(84.1)
Debt	26.0	(107.0)	(133.0)
Equity	14.9	63.8	48.9
Mutual funds (Rs cr)	3,814.7	(1,199.6)	(5,014.3)
Debt	1,700.9	(3,618.2)	(5,319.1)
Equity	2,113.8	2,418.6	304.8

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 11 Dec and 12 Dec 2025

- Oil prices fell to a ~5year low amidst hopes of Russia-Ukraine peace deal.

**Table 7 – Commodities**

	15-12-2025	16-12-2025	Change, %
Brent crude (US\$/bbl)	60.6	58.9	(2.7)
Gold (US\$/ Troy Ounce)	4,305.0	4,302.3	(0.1)
Copper (US\$/ MT)	11,651.1	11,582.5	(0.6)
Zinc (US\$/MT)	3,061.9	3,025.0	(1.2)
Aluminium (US\$/MT)	2,866.0	2,876.5	0.4

Source: Bloomberg, Bank of Baroda Research



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