

## MORNING MOCHA

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Global markets monitored slew of data releases. In the US, University of Michigan sentiment index softened in Mar'25 and both 1-year and 5-year inflation expectations firmed up. In UK, monthly GDP data showed contraction (-0.1%) in Jan'25 and industrial production saw loss of momentum (-0.9%, MoM). In Germany, CPI remained stable at 2.3% in Feb'25. However, markets are waiting details on debt funded defence and infrastructure expenditure. In other macro releases, has been China's retail sales (YTD YoY, at 4%) and industrial production data (YTD YoY, 5.9%) which remained upbeat on account of frontloading of orders, monitoring the tariff turmoil. On domestic front, India's forex reserves (US\$ 654bn) registered strong weekly gain buoyed by RBI's swap operations.

- Global equity indices majorly ended higher despite threats of a global tariff war. US stocks advanced the most, led by a rally in tech stocks. Hopes of more policy support drove consumption linked stocks in China and Hong Kong higher. Sensex was closed. However, it is trading higher today, while Asian stocks are trading mixed.

**Fig 1 – Stock markets**

	13-03-2025	14-03-2025	Change, %
Dow Jones	40,814	41,488	1.7
S & P 500	5,522	5,639	2.1
FTSE	8,543	8,632	1.1
Nikkei	36,790	37,053	0.7
Hang Seng	23,463	23,960	2.1
Shanghai Comp	3,359	3,420	1.8
Sensex	74,030	73,829	(0.3)
Nifty	22,471	22,397	(0.3)

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended mixed. DXY slipped as US consumer sentiment index moderated to a more than 2-year low. EUR rose on reports of a fiscal deal between German parties, boosting growth prospects. JPY declined as expectations of a rate hike this week dwindled. INR is trading stronger today, in line with other Asian currencies.

**Fig 2 – Currencies**

	13-03-2025	14-03-2025	Change, %
EUR/USD (1 EUR / USD)	1.0852	1.0879	0.2
GBP/USD (1 GBP / USD)	1.2952	1.2935	(0.1)
USD/JPY (JPY / 1 USD)	147.81	148.64	(0.6)
USD/INR (INR / 1 USD)	87.21	87.01	0.2
USD/CNY (CNY / 1 USD)	7.2432	7.2374	0.1
DXY Index	103.83	103.72	(0.1)

Source: Bloomberg, Bank of Baroda Research | Note: Figures in brackets indicate depreciation against the dollar



- Global yields closed mixed. 10Y yields in US and Germany rose the most. Decline in consumer sentiment index in the US and rise in inflation expectations impacted investor sentiments. In Germany, prospects of higher bond issuances by the government pushed yields higher. India's 10Y yield rose by 1bps, tracking global cues. It is trading at the same level today.

**Fig 3 – Bond 10Y yield**

	13-03-2025	14-03-2025	Change, bps
US	4.27	4.31	4
UK	4.68	4.67	(1)
Germany	2.86	2.88	2
Japan	1.55	1.52	(3)
China	1.86	1.85	(1)
India	6.68	6.70	1

Source: Bloomberg, Bank of Baroda Research

**Fig 4 – Short term rates**

	13-03-2025	14-03-2025	Change, bps
Tbill-91 days	6.48	6.46	(2)
Tbill-182 days	6.59	6.56	(3)
Tbill-364 days	6.56	6.52	(4)
G-Sec 2Y	6.54	6.55	1
India OIS-2M	6.34	6.34	0
India OIS-9M	6.13	6.13	0
SONIA int rate benchmark	4.45	4.46	0
US SOFR	4.31	4.30	(1)

Source: Bloomberg, Bank of Baroda Research

**Fig 5 – Liquidity**

Rs tn	13-03-2025	14-03-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(1.4)	(1.5)	(0.1)
Reverse Repo	0	0	0
Repo*	1.8	1.9	0.1

Source: RBI, Bank of Baroda Research, \*Includes LTRO

**Fig 6 – Capital market flows**

	11-03-2025	12-03-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	210.5	150.5	(60.0)
Debt	226.4	312.1	85.7
Equity	(15.9)	(161.6)	(145.7)
Mutual funds (Rs cr)	(3,199.5)	(2,511.1)	688.4
Debt	(3,463.9)	(3,240.0)	223.9
Equity	264.4	728.9	464.5

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 8 Mar and 9 Mar 2025

- Oil prices rose, as US data shows slower than expected build-up in inventories.

**Fig 7 – Commodities**

	13-03-2025	14-03-2025	Change, %
Brent crude (US\$/bbl)	69.9	70.6	1.0
Gold (US\$/ Troy Ounce)	2989.2	2984.2	(0.2)
Copper (US\$/ MT)	9751.1	9731.9	(0.2)
Zinc (US\$/MT)	2938.9	2957.0	0.6
Aluminium (US\$/MT)	2703.0	2681.5	(0.8)

Source: Bloomberg, Bank of Baroda Research



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