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Global markets traded cautiously as investors continued to monitor developments in West Asia. Going ahead, oil prices are likely to remain in focus, as key central banks meet this week. While most global central banks are expected to hold rates steady, investors will likely keep a close watch on the assessment of growth and inflation outlook against the backdrop of the current geo-political situation. However, Reserve Bank of Australia continued to tighten its monetary policy and raised the cash rate by 25bps to 4.1%. This is the second consecutive rate hike by the RBA as it attempts to keep inflation within its target range. In India, merchandise trade deficit widened to US\$ 27.1bn in Feb'26 compared with US\$ 14.4bn in Feb'25. Exports declined by 0.8% in Feb'26, while imports recorded a growth of 24.1% in the same period.

- Except China and Japan, other global indices made a cautious recovery. Focus remains on the movement in oil prices and central bank meetings this week. Stocks in US rose, led by gains in AI related stocks. Sensex rose by 1.3%, with strong gains noted in auto and banking stocks. It is however trading lower today, while other Asian stocks are trading mostly higher.

Table 1 – Stock markets

	13-03-2026	16-03-2026	Change, %
Dow Jones	46,558	46,946	0.8
S & P 500	6,632	6,699	1.0
FTSE	10,261	10,318	0.6
Nikkei	53,820	53,751	(0.1)
Hang Seng	25,466	25,834	1.4
Shanghai Comp	4,095	4,085	(0.3)
Sensex	74,564	75,503	1.3
Nifty	23,151	23,409	1.1

Source: Bloomberg, Bank of Baroda Research

- Global currencies appreciated as the dollar rally stalled. DXY dipped by 0.6% tracking a fall in US treasury yields. Amongst major currencies, EUR rose the most by 0.8%, and GBP rose by 0.7%. INR appreciated a tad. It is trading broadly unchanged today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	13-03-2026	16-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1417	1.1505	0.8
GBP/USD (1 GBP / USD)	1.3230	1.3320	0.7
USD/JPY (JPY / 1 USD)	159.73	159.07	0.4
USD/INR (INR / 1 USD)	92.46	92.43	0
USD/CNY (CNY / 1 USD)	6.9037	6.8906	0.2
DXY Index	100.36	99.71	(0.6)

Source: Bloomberg, Bank of Baroda Research



- Global yields ended mixed. While yields in US, UK and Germany inched lower, Asian yields inched up. US 10Y yield fell the most by 6bps, as investors awaited comments from the Fed Chair against the backdrop of the war in West Asia. In Asia, bond yields traded with an upward bias as oil prices continued to remain elevated. India's 10Y yield rose by 2bps and is trading further higher today.

Table 3 – Bond 10Y yield

	13-03-2026	16-03-2026	Change, bps
US	4.28	4.22	(6)
UK	4.82	4.77	(5)
Germany	2.98	2.95	(3)
Japan	2.26	2.28	2
China	1.83	1.85	2
India	6.68	6.70	2

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	13-03-2026	16-03-2026	Change, bps
Tbill-91 days	5.39	5.34	(5)
Tbill-182 days	5.53	5.50	(3)
Tbill-364 days	5.61	5.59	(2)
G-Sec 2Y	5.94	5.97	3
India OIS-2M	5.41	5.44	3
India OIS-9M	5.71	5.71	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	13-03-2026	16-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.1	0.8	(1.3)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	12-03-2026	13-03-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(799.4)	(1,326.0)	(526.6)
Debt	(0.8)	(154.7)	(153.9)
Equity	(798.6)	(1,171.3)	(372.7)
Mutual funds (Rs cr)	(5,944.7)	(9,975.2)	(4,030.5)
Debt	(8,830.8)	(15,269.8)	(6,439.0)
Equity	2,886.1	5,294.6	2,408.5

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 11 Mar & 12 Mar 2026

- Oil prices eased as IEA hinted that more strategic reserves could be released to support prices.

Table 7 – Commodities

	13-03-2026	16-03-2026	Change, %
Brent crude (US\$/bbl)	103.1	100.2	(2.8)
Gold (US\$/ Troy Ounce)	5,019.5	5,006.4	(0.3)
Copper (US\$/ MT)	12,677.8	12,753.5	0.6
Zinc (US\$/MT)	3,253.4	3,226.3	(0.8)
Aluminium (US\$/MT)	3,439.5	3,395.5	(1.3)

Source: Bloomberg, Bank of Baroda Research



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