

MORNING MOCHA

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ECONOMIST

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In the US, jobless claims inched up to 215k for the week ending 23 May, up from 210k for the previous week. The 4-week moving average rose by 6300 to 209k for the same period. Overall, the layoffs have remained low, even as there is uncertainty due to the ongoing US-Iran conflict. The unemployment rate is likely to be steady at 4.3% in May'26. In Germany, jobless rate slipped below the 3 mn mark to 2.95 mn in May'26, a dip of 58,000 from last month. With this, the unemployment rate (seasonally adjusted) stood at 6.3% for the same period. Separately, as per news report, for the week ended 27 May, global investors bought equity funds to the tune of net US\$ 457.6 mn against outflow of US\$ 6.6 bn in the previous week, amidst news of a possible extension of ceasefire agreement. This week, the focus in India will turn towards monetary policy meeting and GDP estimates.

- Global indices closed mixed. US indices advanced as oil prices slipped on optimism around a possible peace deal. Nikkei surged to a record high led by rally in AI related stocks. Sensex slipped with losses in oil & gas and metal stocks. It is however trading higher today, while Asian stocks are trading mixed.

Table 1 – Stock markets

	28-05-2026	29-05-2026	Change, %
Dow Jones	50,669	51,032	0.7
S & P 500	7,564	7,580	0.2
FTSE	10,426	10,409	(0.2)
Nikkei	64,693	66,330	2.5
Hang Seng	25,006	25,182	0.7
Shanghai Comp	4,099	4,069	(0.7)
Sensex	75,868	74,776	(1.4)
Nifty	23,907	23,548	(1.5)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 28 May 2026

- Except JPY, other global currencies closed stronger the dollar. Greenback weakened on peace deal optimism, offsetting safe-haven demand. INR appreciated amidst lower oil prices. It is trading stronger today, in line with other Asian currencies.

Table 2 – Currencies

	28-05-2026	29-05-2026	Change, %
EUR/USD (1 EUR / USD)	1.1651	1.1659	0.1
GBP/USD (1 GBP / USD)	1.3445	1.3456	0.1
USD/JPY (JPY / 1 USD)	159.24	159.27	0
USD/INR (INR / 1 USD)	95.70	95.00	0.7
USD/CNY (CNY / 1 USD)	6.7757	6.7663	0.1
DX Index	99.02	98.94	(0.1)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 28 May 2026



- Global yields traded in a narrow range. Japan's 10Y yields softened by 3bps following a moderation in CPI print. Germany's 10Y yield softened by 2bps albeit building expectations of a rate hike by ECB in Jun'26. India's 10Y yield rose a tad higher tracking auction result. It is trading at 6.99% today.

Table 3 – Bond 10Y yield

	28-05-2026	29-05-2026	Change, bps
US	4.45	4.44	(1)
UK	4.81	4.81	0
Germany	2.96	2.94	(2)
Japan	2.70	2.67	(3)
China	1.72	1.72	0
India	7.00	7.00	1

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 28 May 2026

Table 4 – Short term rates

	27-05-2026	29-05-2026	Change, bps
Tbill-91 days	5.53	5.52	(1)
Tbill-182 days	5.70	5.66	(4)
Tbill-364 days	5.96	5.92	(4)
G-Sec 2Y	6.30	6.29	(1)
India OIS-2M	5.48	5.46	(2)
India OIS-9M	5.93	5.93	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.62	(1)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 28 May 2026

Table 5 – Liquidity

Rs tn	27-05-2026	29-05-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.7	0.1	(0.6)

Source: RBI, Bank of Baroda Research | Note: Markets in India were closed on 28 May 2026

Table 6 – Capital market flows

	26-05-2026	27-05-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(116.0)	157.9	273.9
Debt	(8.1)	0.8	8.9
Equity	(107.9)	157.1	265.0
Mutual funds (Rs cr)	(2,799.5)	871.3	3,670.8
Debt	(3,382.5)	(4,213.1)	(830.5)
Equity	583.0	5,084.4	4,501.3

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 21 May and 25 May 2026

- Oil prices slipped further amidst easing pressure on hopes of a peace deal.

Table 7 – Commodities

	28-05-2026	29-05-2026	Change, %
Brent crude (US\$/bbl)	93.7	92.1	(1.8)
Gold (US\$/ Troy Ounce)	4,495.3	4,540.3	1.0
Copper (US\$/ MT)	13,656.2	13,599.7	(0.4)
Zinc (US\$/MT)	3,528.2	3,518.4	(0.3)
Aluminium (US\$/MT)	3,659.5	3,666.5	0.2

Source: Bloomberg, Bank of Baroda Research



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