

MORNING MOCHA

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Dipanwita Mazumdar

Global markets monitored key macro data in the US for cues on trajectory of Fed fund rate. ADP employment change rose by 90K in Sep'26 compared to previous revised level of 36K. Personal income on the other hand rose at softer pace of 0.2% Core PCE data widely tracked by Fed for policy cues, rose at a moderate pace by 3.4%, on YoY basis. However, the sequential momentum is maintained at 0.2%. Q2 third estimate of GDP rose at a faster pace by 2.2% buoyed by improvement in personal consumption. Elsewhere in UK, final estimate of Q2GDP came in a tad higher at 0.5%. CPI data in Germany firmed up by 3.3% as per Sep'26 provisional estimate compared to 2.9% earlier. On domestic front, Cabinet has approved increase in MSP for Rabi crops for 2027-28 season, with the highest increase in absolute terms seen for safflower, rapeseed and mustard and Masur.

- US indices ended lower despite tad softer PCE data which has trimmed down expectations of rate hike in Oct'26. On the other hand, Nikkei surged led by strong gains in banking, real estate and textile stocks. Sensex slipped with losses in consumer durable and metal stocks. It is trading further weaker today, while other Asian stocks are trading higher.

Table 1 – Stock markets

	29-09-2026	30-09-2026	Change, %
Dow Jones	51,350	50,906	(0.9)
S & P 500	7,671	7,652	(0.3)
FTSE	10,637	10,606	(0.3)
Nikkei	65,481	66,754	1.9
Hang Seng	24,524	24,613	0.4
Shanghai Comp	3,830	3,842	0.3
Sensex	72,529	72,480	(0.1)
Nifty	22,716	22,620	(0.4)

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended mixed. Greenback strengthened further supported by higher US yields. GBP edged up led by upwardly revised growth print and prospects of fiscal discipline. INR appreciated despite higher oil prices. However, it is trading weaker today, while Asian currencies are trading mixed.

Table 2 – Currencies

	29-09-2026	30-09-2026	Change, %
EUR/USD (1 EUR / USD)	1.1342	1.1330	(0.1)
GBP/USD (1 GBP / USD)	1.3232	1.3265	0.2
USD/JPY (JPY / 1 USD)	157.29	157.41	(0.1)
USD/INR (INR / 1 USD)	95.99	95.83	0.2
USD/CNY (CNY / 1 USD)	6.7067	6.7060	0
DX Index	101.37	101.45	0.1

Source: Bloomberg, Bank of Baroda Research



- Global yields closed mixed. US 10Y yield firmed up tracking buoyancy in personal consumption demand. Germany's 10Y yield softened tracking comments of ECB President about the extent of energy shock. Japan's 10Y yield also fell by 3bps as BoJ minutes signalled no clear direction on rates. India's 10Y yield rose by 2bps. It is trading at the same level today.

Table 3 – Bond 10Y yield

	29-09-2026	30-09-2026	Change, bps
US	5.24	5.28	5
UK	5.41	5.42	1
Germany	3.63	3.59	(4)
Japan	3.09	3.07	(3)
China	1.67	1.68	1
India	7.16	7.19	2

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	29-09-2026	30-09-2026	Change, bps
Tbill-91 days	5.46	5.50	4
Tbill-182 days	5.85	5.95	10
Tbill-364 days	6.06	6.17	11
G-Sec 2Y	6.56	6.54	(2)
India OIS-2M	5.53	5.54	1
India OIS-9M	6.02	6.04	2
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.90	3.88	(2)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	29-09-2026	30-09-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	4.7	4.9	0.1

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	28-09-2026	29-09-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(864.1)	(1,323.1)	(459.1)
Debt	(346.4)	(261.2)	85.3
Equity	(517.6)	(1,062.0)	(544.3)
Mutual funds (Rs cr)	(2,080.6)	(575.3)	1,505.3
Debt	(2,373.8)	(1,762.4)	611.3
Equity	293.1	1,187.1	894.0

Source: Bloomberg, Bank of Baroda Research, Note: Mutual fund data as of 18th and 21st Sep

- Oil prices inched up further as US-Iran talks took a backseat.

Table 7 – Commodities

	29-09-2026	30-09-2026	Change, %
Brent crude (US\$/bbl)	102.6	103.5	0.9
Gold (US\$/ Troy Ounce)	4,182.3	4,157.4	(0.6)
Copper (US\$/ MT)	14,474.9	14,453.0	(0.2)
Zinc (US\$/MT)	3,968.9	3,915.3	(1.4)
Aluminium (US\$/MT)	3,214.0	3,169.5	(1.4)

Source: Bloomberg, Bank of Baroda Research



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For further details about this publication, please contact:

Chief Economist

Bank of Baroda

chief.economist@bankofbaroda.com