

MORNING MOCHA

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ECONOMIST
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Mixed messaging from US and Iran regarding second round of peace talks is adding to the uncertainty related to ongoing crisis in West Asia, as 10-day ceasefire is nearing an end (22 Apr). Iran has clarified that it wants US blockade on Iranian ports to end, while US insists that the blockade will remain until a deal is made. Investors are adopting wait and watch approach for the time being. On the macro front, due to the Iran war, PPI in Germany (MoM) jumped in Mar'26 to 2.4% versus est.: 1.4% increase, led by higher oil prices. In the UK, Rightmove house price index rose by 0.8% (MoM) in Apr'26, unchanged from last month, helped by stronger than expected consumer demand. In India, index for eight core industries fell by (-) 0.4% in Mar'26 (YoY), following 2.8% increase in Feb'26. The decline was led by industries such as fertilizers, crude oil, coal and electricity.

- Global indices closed mixed. Investors' monitored developments between US and Iran, given the blockade situation is unresolved. Investors also tracked quarterly earnings and will await any comments ahead of Kevin Warsh's confirmation hearing, touted as the next Fed chair. Sensex remained steady and opened higher today. Asian indices are trading mixed.

Table 1 – Stock markets

	17-04-2026	20-04-2026	Change, %
Dow Jones	49,447	49,443	0
S & P 500	7,126	7,109	(0.2)
FTSE	10,668	10,609	(0.5)
Nikkei	58,476	58,825	0.6
Hang Seng	26,160	26,361	0.8
Shanghai Comp	4,051	4,082	0.8
Sensex	78,494	78,520	0
Nifty	24,354	24,365	0

Source: Bloomberg, Bank of Baroda Research

- Global currencies closed mixed. DXY remained unchanged awaiting the next round of peace talks and ahead of the US retail sales data. EUR and GBP appreciated the most. INR weakened given surge in oil prices. It is trading weaker today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	17-04-2026	20-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1765	1.1788	0.2
GBP/USD (1 GBP / USD)	1.3516	1.3535	0.1
USD/JPY (JPY / 1 USD)	158.64	158.81	(0.1)
USD/INR (INR / 1 USD)	92.93	93.12	(0.2)
USD/CNY (CNY / 1 USD)	6.8182	6.8173	0
DXY Index	98.10	98.10	0

Source: Bloomberg, Bank of Baroda Research



- Global 10Y yields closed mixed. 10Y yield in UK rose the most, followed by Germany. Uncertainty around peace talks between US and Iran, and opening of Strait of Hormuz is again weighing on investor sentiments. India's 10Y yield fell by 2bps. Following global cues and despite increase in oil prices, it is trading unchanged at 6.89% today.

Table 3 – Bond 10Y yield

	17-04-2026	20-04-2026	Change, bps
US	4.25	4.25	0
UK	4.76	4.83	7
Germany	2.96	2.98	2
Japan	2.42	2.39	(3)
China	1.77	1.77	0
India	6.91	6.89	(2)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	17-04-2026	20-04-2026	Change, bps
Tbill-91 days	5.15	5.17	2
Tbill-182 days	5.38	5.40	2
Tbill-364 days	5.52	5.53	1
G-Sec 2Y	5.94	5.91	(3)
India OIS-2M	5.30	5.29	(1)
India OIS-9M	5.64	5.61	(3)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.67	3.65	(2)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	17-04-2026	20-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	4.4	4.1	(0.3)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	16-04-2026	17-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	283.0	293.9	10.9
Debt	109.3	70.8	(38.5)
Equity	173.7	223.1	49.4
Mutual funds (Rs cr)	1,377.6	(2,100.3)	(3,477.9)
Debt	3,422.7	799.1	(2,623.7)
Equity	(2,045.1)	(2,899.4)	(854.3)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 15 Apr and 16 Apr 2026

- Crude price soared, as uncertainty around peace talks between US and Iran took centre stage. Kuwait has declared force majeure on its oil shipments.

Table 7 – Commodities

	17-04-2026	20-04-2026	Change, %
Brent crude (US\$/bbl)	90.4	95.5	5.6
Gold (US\$/ Troy Ounce)	4,830.3	4,820.7	(0.2)
Copper (US\$/ MT)	13,281.9	13,199.5	(0.6)
Zinc (US\$/MT)	3,442.8	3,397.1	(1.3)
Aluminium (US\$/MT)	3,564.5	3,557.5	(0.2)

Source: Bloomberg, Bank of Baroda Research



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