

## MORNING MOCHA

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**ECONOMIST**  
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US ADP employment data shows that for the week ending 27 Dec 2025, private sector added 8,000 jobs per week, down from previously estimated 11,500 jobs added. Investors are also closely monitoring revival in trade tensions between the US and Europe. As a retaliatory measure, news reports indicate that Danish pension fund AkademikerPension, has announced that it will divest all its US treasury holdings (worth US\$ 100mn) by the end of this month. Separately in UK, data shows that employment fell by 43k in Dec'24, and unemployment rate remained unchanged (from Nov'25) in Dec'25 at 5.1%—near its 4-year high. Employment in shops, restaurants and hotels fell the most. Wage growth also slowed a tad to 4.5% in Q4CY25 versus 4.6% in Q3. In Germany ZEW economic sentiment index rose to 59.6 in Jan'26 from 45.8 in Dec'25, on the hopes of pick up in public spending.

- Except Shanghai Comp, other global indices closed lower as trade tensions intensified between the US and EU. US indices registered biggest single day decline since Oct'25 given renewed selling pressure. Sensex slipped by 1.4% given concerns around global trade and mixed quarterly earnings. However, it is trading higher today, while other Asian indices are trading mixed.

**Table 1 – Stock markets**

	19-01-2026	20-01-2026	Change, %
Dow Jones	49,359	48,489	(1.8)
S & P 500	6,940	6,797	(2.1)
FTSE	10,195	10,127	(0.7)
Nikkei	53,584	52,991	(1.1)
Hang Seng	26,564	26,488	(0.3)
Shanghai Comp	4,114	4,114	0
Sensex	83,246	82,180	(1.3)
Nifty	25,586	25,233	(1.4)

Source: Bloomberg, Bank of Baroda Research| Note: US markets were closed on 19 Jan 2026

- Global currencies closed mixed. Dollar index weakened led by ongoing geopolitical tensions. EUR rose the most by 0.7%. INR continued to extend losses, amidst persistent FPI outflows and higher oil prices. It is trading lower today as it breached the 91/US\$ mark. Asian currencies are trading mixed.

**Table 2 – Currencies**

	19-01-2026	20-01-2026	Change, %
EUR/USD (1 EUR / USD)	1.1646	1.1725	0.7
GBP/USD (1 GBP / USD)	1.3425	1.3439	0.1
USD/JPY (JPY / 1 USD)	158.11	158.15	0
USD/INR (INR / 1 USD)	90.92	90.98	(0.1)
USD/CNY (CNY / 1 USD)	6.9641	6.9608	0
DXY Index	99.39	98.64	(0.8)

Source: Bloomberg, Bank of Baroda Research| Note: US markets were closed on 19 Jan 2026



- Except China and India, other major global yields ended higher. 10Y yield in Japan rose by 9bps—to its highest since early Feb'99. US 10Y yield also inched up as investors evaluate revival in trade tensions between US and Europe. India's 10Y fell by 1bps to 6.67%, even as oil prices inched up. It is trading further lower today at 6.66%.

**Table 3 – Bond 10Y yield**

	19-01-2026	20-01-2026	Change, bps
US	4.22	4.29	7
UK	4.42	4.46	4
Germany	2.84	2.86	2
Japan	2.27	2.36	9
China	1.84	1.84	0
India	6.68	6.67	(1)

Source: Bloomberg, Bank of Baroda Research| Note: US markets were closed on 19 Jan 2026

**Table 4 – Short term rates**

	19-01-2026	20-01-2026	Change, bps
Tbill-91 days	5.40	5.42	2
Tbill-182 days	5.61	5.65	4
Tbill-364 days	5.56	5.63	7
G-Sec 2Y	5.78	5.81	2
India OIS-2M	5.37	5.38	1
India OIS-9M	5.51	5.53	2
SONIA int rate benchmark	3.72	3.72	0
US SOFR	3.66	3.65	(1)

Source: Bloomberg, Bank of Baroda Research| Note: US markets were closed on 19 Jan 2026

**Table 5 – Liquidity**

Rs tn	19-01-2026	20-01-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.8	0.7	(0.1)

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	16-01-2026	19-01-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(498.2)	43.0	541.1
Debt	3.0	269.7	266.7
Equity	(501.2)	(226.7)	274.5
Mutual funds (Rs cr)	645.4	(4,096.0)	(4,741.4)
Debt	(2,571.0)	(6,472.1)	(3,901.1)
Equity	3,216.4	2,376.1	(840.3)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 14 Jan and 16 Jan 2026

- Oil prices rose, tracking supply concerns from Kazakhstan and healthy demand from China.

**Table 7 – Commodities**

	19-01-2026	20-01-2026	Change, %
Brent crude (US\$/bbl)	63.9	64.9	1.5
Gold (US\$/ Troy Ounce)	4,670.9	4,763.4	2.0
Copper (US\$/ MT)	13,033.1	12,855.3	(1.4)
Zinc (US\$/MT)	3,179.8	3,129.4	(1.6)
Aluminium (US\$/MT)	3,158.5	3,107.5	(1.6)

Source: Bloomberg, Bank of Baroda Research



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