

**MORNING MOCHA**

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**ECONOMIST**  
**Sonal Badhan**

Peace talks between the US and Iran appear to have stalled over Iran's nuclear program and Strait of Hormuz blockade. Shipping traffic through the Strait of Hormuz has come to a near standstill, which is also pushing oil prices higher. On the macro front, flash PMIs released by Markit indicate that manufacturing activity rebounded in Apr'26 across regions (US, Eurozone, UK, Japan, India), driven by building safety stocks and front loading of new orders during the brief period of easing geopolitical tensions in West Asia in early Apr'26. Services sector also recovered, except in Eurozone and Japan. Domestically, RBI's monthly bulletin has cautioned that global supply chain disruptions, oil prices and weak monsoon may add to upside pressures on inflation. If supply shocks continue for long, then they may lead to disruptions in trade flows and financial market spillover.

- Global indices closed lower as investors tracked latest developments in the Middle East, given the peace talks have stalled, and ceasefire is on shaky grounds. Within S&P 500, 6 out of 11 sectors registered a fall, led by technology stocks. Sensex too edged down with deep losses noted in auto and banking stocks. It is trading lower today in line with other Asian indices.

**Table 1 – Stock markets**

	22-04-2026	23-04-2026	Change, %
Dow Jones	49,490	49,310	(0.4)
S & P 500	7,138	7,108	(0.4)
FTSE	10,476	10,457	(0.2)
Nikkei	59,586	59,140	(0.7)
Hang Seng	26,163	25,915	(0.9)
Shanghai Comp	4,106	4,093	(0.3)
Sensex	78,516	77,664	(1.1)
Nifty	24,378	24,173	(0.8)

Source: Bloomberg, Bank of Baroda Research

- Except CNY, other global currencies closed lower. Higher oil prices and geopolitical risks lifted DXY higher. Despite better-than-expected trade estimates, Yen continued to weaken. INR crossed 94/\$ mark, due to elevated oil prices. It is trading weaker today while other Asian currencies are trading mixed.

**Table 2 – Currencies**

	22-04-2026	23-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1705	1.1683	(0.2)
GBP/USD (1 GBP / USD)	1.3502	1.3467	(0.3)
USD/JPY (JPY / 1 USD)	159.48	159.71	(0.1)
USD/INR (INR / 1 USD)	93.80	94.11	(0.3)
USD/CNY (CNY / 1 USD)	6.8289	6.8313	0
DXY Index	98.59	98.77	0.2

Source: Bloomberg, Bank of Baroda Research



- Barring Germany, other major global yields inched up. Yields in UK, China and India rose the most. US 10Y yield was also up by 2bps, as investors monitor escalating tensions in the Strait of Hormuz and rise in oil prices. India's 10Y yield rose by 3bps, as prices hover ~US\$ 105/bbl. Following global cues, it is trading further higher today at 6.97%.

**Table 3 – Bond 10Y yield**

	22-04-2026	23-04-2026	Change, bps
US	4.30	4.32	2
UK	4.91	4.94	3
Germany	3.01	3.01	0
Japan	2.40	2.43	2
China	1.73	1.76	3
India	6.92	6.95	3

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	22-04-2026	23-04-2026	Change, bps
Tbill-91 days	5.20	5.22	2
Tbill-182 days	5.44	5.44	0
Tbill-364 days	5.58	5.57	(1)
G-Sec 2Y	5.95	6.01	6
India OIS-2M	5.31	5.33	3
India OIS-9M	5.65	5.72	7
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.64	1

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	22-04-2026	23-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.3	3.0	(0.3)

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	21-04-2026	22-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	122.2	41.9	(80.3)
Debt	58.5	175.1	116.6
Equity	63.7	(133.2)	(196.9)
Mutual funds (Rs cr)	(2,961.7)	1,253.3	4,215.0
Debt	1,179.8	(876.2)	(2,056.0)
Equity	(4,141.4)	2,129.5	6,271.0

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 17 Apr and 20 Apr 2026

- Crude price breached US\$ 105/bbl mark, tracking stalled talks between US and Iran and closure of Strait of Hormuz.

**Table 7 – Commodities**

	22-04-2026	23-04-2026	Change, %
Brent crude (US\$/bbl)	101.9	105.1	3.1
Gold (US\$/ Troy Ounce)	4,739.9	4,694.1	(1.0)
Copper (US\$/ MT)	13,374.2	13,300.7	(0.5)
Zinc (US\$/MT)	3,474.0	3,456.6	(0.5)
Aluminium (US\$/MT)	3,613.5	3,620.0	0.2

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](mailto:chief.economist@bankofbaroda.com)