

MORNING MOCHA

24 November 2025

ECONOMIST
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Global markets continue to monitor signals regarding Fed's rate trajectory in Dec'25. Recently New York Fed President voiced his support for further rate cut. University of Michigan's consumer survey shows decline in sentiment as the index fell to 51 in Nov'25 from 53.6 in Oct'25, dragged by dip in current situation index. Separately, Markit flash manufacturing PMIs show that activity hit 4-month low in Nov'25 (51.9 versus 52.5). Elsewhere in Eurozone, activity contracted further at a sharper pace. In contrast in the UK, manufacturing activity expanded as the index jumped to 14-month high of 50.2 from 49.7. However, retail sales data showed a slump in Oct'25 (-1.1% MoM)—a first since May'25, possibly due to delay in purchases ahead of beginning of festive discount season. Domestically, manufacturing PMI eased a tad (57.4 versus 59.2), while services activity picked up momentum (59.5 versus 58.9).

- Except US, stocks elsewhere ended in red. US indices benefitted from comments from New York Fed President. In Asia, concerns over AI weighed on tech stocks. Stocks in China, Hong Kong and Japan lost over 2% each. Sensex also dipped by 0.5% tracking losses in metal and real estate sectors. However, it is trading higher today, in line with other Asian indices.

Table 1 – Stock markets

	20-11-2025	21-11-2025	Change, %
Dow Jones	45,752	46,245	1.1
S & P 500	6,539	6,603	1.0
FTSE	9,528	9,540	0.1
Nikkei	49,824	48,626	(2.4)
Hang Seng	25,836	25,220	(2.4)
Shanghai Comp	3,931	3,835	(2.4)
Sensex	85,633	85,232	(0.5)
Nifty	26,192	26,068	(0.5)

Source: Bloomberg, Bank of Baroda Research

- Except INR and EUR, other global currencies ended stronger. JPY rose as the government voiced its support for the currency. INR fell by 0.8% to a record low amidst higher dollar demand from importers. However, it is trading stronger today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	20-11-2025	21-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1528	1.1513	(0.1)
GBP/USD (1 GBP / USD)	1.3073	1.3099	0.2
USD/JPY (JPY / 1 USD)	157.47	156.41	0.7
USD/INR (INR / 1 USD)	88.71	89.41	(0.8)
USD/CNY (CNY / 1 USD)	7.1165	7.1052	0.2
DXI Index	100.16	100.18	0

Source: Bloomberg, Bank of Baroda Research



- Except China and India, other global 10Y yields declined. Investors in the US and UK are expecting respective central banks to deliver a rate cut, given slowing economic growth. In Japan, markets corrected following a surge, due to fiscal package news. India's 10Y yield inched up by 3bps, tracking weekly government auction. It is trading further higher today at 6.56% (06.33 GS 2035).

Table 3 – Bond 10Y yield

	20-11-2025	21-11-2025	1D
US	4.08	4.06	(2)
UK	4.59	4.55	(4)
Germany	2.72	2.70	(1)
Japan	1.82	1.78	(5)
China	1.81	1.81	0
India	6.49	6.52	3

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	20-11-2025	21-11-2025	Change, bps
Tbill-91 days	5.34	5.35	1
Tbill-182 days	5.55	5.55	0
Tbill-364 days	5.55	5.55	0
G-Sec 2Y	5.79	5.80	1
India OIS-2M	5.45	5.48	2
India OIS-9M	5.44	5.45	1
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.91	3.91	0

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	20-11-2025	21-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.6	1.5	(0.1)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	19-11-2025	20-11-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	288.1	89.7	(198.5)
Debt	(77.5)	38.9	116.5
Equity	365.7	50.7	(314.9)
Mutual funds (Rs cr)	(4,331.9)	(1,041.4)	3,290.5
Debt	(4,379.6)	(1,151.5)	3,228.1
Equity	47.7	110.1	62.3

Source: Bloomberg, Bank of Baroda Research

- Oil prices continue to fall, as there remains oversupply amidst tepid demand.

Table 7 – Commodities

	20-11-2025	21-11-2025	Change, %
Brent crude (US\$/bbl)	63.4	62.6	(1.3)
Gold (US\$/ Troy Ounce)	4,077.2	4,065.1	(0.3)
Copper (US\$/ MT)	10,719.6	10,778.6	0.5
Zinc (US\$/MT)	3,150.8	3,124.1	(0.8)
Aluminium (US\$/MT)	2,814.0	2,786.0	(1.0)

Source: Bloomberg, Bank of Baroda Research



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