

MORNING MOCHA

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ECONOMIST
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Global markets got a lift as US Fed Governor Waller echoed the sentiments of New York Fed President, indicating that there remains room for a rate cut by Fed in Dec'25. He argued that economic growth is showing signs of slowdown. Apart from flash Markit manufacturing PMI, Dallas Fed manufacturing business index also suggests weakness in the sector (index at -10.4 in Nov'25 versus -5 in Oct'25). Separately in Germany as well, business sentiment continues to remain subdued. The Ifo headline index fell to 88.1 in Nov'25 (est.: 88.5) from 88.4 in the previous month, mainly dragged by the expectations index (90.6 versus 91.6). Slower movement on government spending front is making investors jittery. Domestically, central bank intervention has helped Rupee recover from its all-time low of 89.41/\$.

- Equity indices in the US firmed up amidst renewed hopes of rate cut by Fed in Dec'25 with probability of 80.9% for the same compared to previous week's 42% (CME Fed watch). Asian stocks remained mixed, tracking dialogues between US, China and Japan. Sensex moderated led by real estate stocks. It is trading even lower today, while Asian indices are trading mixed.

Table 1 – Stock markets

	21-11-2025	24-11-2025	Change, %
Dow Jones	46,245	46,448	0.4
S & P 500	6,603	6,705	1.5
FTSE	9,540	9,535	(0.1)
Nikkei	49,824	48,626	(2.4)
Hang Seng	25,220	25,717	2.0
Shanghai Comp	3,835	3,837	0
Sensex	85,232	84,901	(0.4)
Nifty	26,068	25,960	(0.4)

Source: Bloomberg, Bank of Baroda Research| Note: Markets in Japan were closed on 24 Nov 2025

- Global currencies ended mixed. INR and EUR gained the most, while DXY ended flat. Investors continue to monitor statements of Fed officials signalling possibility of rate cut in Dec'25. INR rose by 0.2%, amidst intervention by RBI. It is trading further stronger today, in line with other Asian currencies.

Table 2 – Currencies

	21-11-2025	24-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1513	1.1521	0.1
GBP/USD (1 GBP / USD)	1.3099	1.3105	0
USD/JPY (JPY / 1 USD)	156.41	156.89	(0.3)
USD/INR (INR / 1 USD)	89.41	89.24	0.2
USD/CNY (CNY / 1 USD)	7.1052	7.1031	0
DXY Index	100.18	100.14	0

Source: Bloomberg, Bank of Baroda Research| Note: Markets in Japan were closed on 24 Nov 2025



- Global yields softened as rate cut expectations by Fed build up following weaker labour market data. Recent commentaries by Fed officials' also spoke of the same. US 10Y yield fell by 4bps. India's 10Y yield also softened as markets are forming expectations of a possibility of rate cut by RBI. It is trading lower at 6.46% today.

Table 3 – Bond 10Y yield

	21-11-2025	24-11-2025	1D
US	4.06	4.02	(4)
UK	4.55	4.54	(1)
Germany	2.70	2.69	(1)
Japan	1.82	1.78	(5)
China	1.81	1.81	0
India	6.52	6.48	(4)

Source: Bloomberg, Bank of Baroda Research| Note: Markets in Japan were closed on 24 Nov 2025

Table 4 – Short term rates

	21-11-2025	24-11-2025	Change, bps
Tbill-91 days	5.35	5.34	(1)
Tbill-182 days	5.55	5.56	1
Tbill-364 days	5.55	5.56	1
G-Sec 2Y	5.80	5.79	(2)
India OIS-2M	5.48	5.43	(4)
India OIS-9M	5.45	5.43	(2)
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.91	3.93	2

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	21-11-2025	24-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.5	1.3	(0.2)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	20-11-2025	21-11-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	89.7	(58.1)	(147.8)
Debt	38.9	124.3	85.3
Equity	50.7	(182.4)	(233.1)
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| Note: Mutual Fund data as of 19 and 20 Nov 2025

- Oil prices rebounded, tracking rise in Fed rate cut bets and declining confidence around Russia-Ukraine pace.

Table 7 – Commodities

	21-11-2025	24-11-2025	Change, %
Brent crude (US\$/bbl)	62.6	63.4	1.3
Gold (US\$/ Troy Ounce)	4,065.1	4,136.3	1.8
Copper (US\$/ MT)	10,778.6	10,797.9	0.2
Zinc (US\$/MT)	3,124.1	3,140.2	0.5
Aluminium (US\$/MT)	2,786.0	2,812.0	0.9

Source: Bloomberg, Bank of Baroda Research



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