

**MORNING MOCHA**

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**ECONOMIST**  
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US-Iran peace talks were stuck in a limbo as US President called off a visit by US officials to Islamabad over the weekend. Markets are expected to react negatively to the news as this implies a continued blockade of the Strait of Hormuz. As a result, oil prices have surged to US\$ 107/bbl today. University of Michigan's consumer sentiment index fell to a record low 49.8 in Apr'26 from 53.5 in Mar'26, as consumers assessed the impact of a prolonged war on inflation. Inflation expectations of consumers (1Y) also jumped to 4.7% in Apr'26 from 3.8% in Mar'26. Separately, IF's business climate index for Germany dipped to its lowest since Mar'20 at 84.4 in Apr'26 from 86.3 in Mar'26. This was attributed to geo-political tensions. Focus this week will be on developments surrounding US-Iran peace talks and central bank meetings in Japan, US, UK and EU.

- Global indices closed mixed as investors monitored developments related to peace talks between US and Iran, with uncertainty looming over the re-opening of the Strait of Hormuz. Additionally, warning signals by BoE officials on equity indices also weighed on investor sentiments. Sensex slipped led by losses in IT related stocks. It is trading higher today, in line with other Asian indices.

**Table 1 – Stock markets**

	23-04-2026	24-04-2026	Change, %
Dow Jones	49,310	49,231	(0.2)
S & P 500	7,108	7,165	0.8
FTSE	10,457	10,379	(0.7)
Nikkei	59,140	59,716	1.0
Hang Seng	25,915	25,978	0.2
Shanghai Comp	4,093	4,080	(0.3)
Sensex	77,664	76,664	(1.3)
Nifty	24,173	23,898	(1.1)

Source: Bloomberg, Bank of Baroda Research

- Except INR, other global currencies closed stronger. DXY fell by 0.2% amidst expectations of confirmation of the next Governor. GBP rose as UK's retail sales increased unexpectedly in Mar'26. INR dipped, due to higher oil prices. It is trading further weaker today, while other Asian currencies are trading mixed.

**Table 2 – Currencies**

	23-04-2026	24-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1683	1.1722	0.3
GBP/USD (1 GBP / USD)	1.3467	1.3532	0.5
USD/JPY (JPY / 1 USD)	159.71	159.38	0.2
USD/INR (INR / 1 USD)	94.11	94.26	(0.2)
USD/CNY (CNY / 1 USD)	6.8313	6.8320	0
DXY Index	98.77	98.53	(0.2)

Source: Bloomberg, Bank of Baroda Research



- Barring Japan (higher) and China (flat), other global yields closed lower. US 10Y yield dipped marginally, hovering near the 4.3% mark, tracking a fall in consumer sentiment index in Apr'26. India's 10Y yield eased, despite higher oil prices. It is trading further higher today at 6.95%.

**Table 3 – Bond 10Y yield**

	23-04-2026	24-04-2026	Change, bps
US	4.32	4.30	(2)
UK	4.94	4.91	(3)
Germany	3.01	2.99	(1)
Japan	2.43	2.44	1
China	1.76	1.76	0
India	6.95	6.94	(1)

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	23-04-2026	24-04-2026	Change, bps
Tbill-91 days	5.22	5.21	(1)
Tbill-182 days	5.44	5.43	(1)
Tbill-364 days	5.57	5.53	(4)
G-Sec 2Y	6.01	6.00	(1)
India OIS-2M	5.33	5.32	(1)
India OIS-9M	5.72	5.70	(2)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.64	3.65	1

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	23-04-2026	24-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.0	3.0	0

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	22-04-2026	23-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	41.9	(13.9)	(55.8)
Debt	175.1	248.7	73.5
Equity	(133.2)	(262.5)	(129.3)
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

- Oil prices inched up further as peace talks between US and Iran stalled.

**Table 7 – Commodities**

	23-04-2026	24-04-2026	Change, %
Brent crude (US\$/bbl)	105.1	105.3	0.2
Gold (US\$/ Troy Ounce)	4,694.1	4,709.5	0.3
Copper (US\$/ MT)	13,300.7	13,246.8	(0.4)
Zinc (US\$/MT)	3,456.6	3,481.7	0.7
Aluminium (US\$/MT)	3,620.0	3,591.0	(0.8)

Source: Bloomberg, Bank of Baroda Research



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