# MORNING MOCHA

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Economist
Jahnavi Prabhakar

Crude oil prices eased after US and Iran recently paused the ongoing retaliatory strikes, raising hopes of a possible diplomatic breakthrough. Investors this week will track rate decisions by global central banks. They are pricing in status quo on rates by Fed, this Wednesday amidst softer inflation data. Both BoE and BoJ too are expected to hold rates steady this week, even as they remain cautious on inflation outlook. Additionally, investors will also monitor US Q2GDP, PCE price index for June along with weekly jobless claims. Furthermore, flash estimate for Euro's Q2GDP as well as economic sentiment and consumer confidence will also be monitored this week. On the domestic front, India's cumulative rainfall has picked up and has been 15% below LPA (from 23% below LPA-last week) with total kharif sowing down by 5% compared with last year. Analysts are also expected to focus on upcoming the industrial production data.

- Global indices closed mixed. Dow Jones inched up with investors focussing on the upcoming corporate earnings. Nikkei was down with deep losses in paper, transport and communication stocks. Sensex, slipped led by auto and power stocks. However, it is trading higher today, in line with Asian stocks.

**Table 1 – Stock markets**

| | 23-07-2026 | 24-07-2026 | Change, % |
|---|---|---|---|
| Dow Jones | 51,712 | 51,947 | 0.5 |
| S & P 500 | 7,408 | 7,412 | 0 |
| FTSE | 10,639 | 10,736 | 0.9 |
| Nikkei | 66,423 | 64,611 | (2.7) |
| Hang Seng | 25,211 | 24,963 | (1.0) |
| Shanghai Comp | 3,877 | 3,814 | (1.6) |
| Sensex | 76,391 | 76,060 | (0.4) |
| Nifty | 23,870 | 23,767 | (0.4) |

Source: Bloomberg, Bank of Baroda Research

- Major global currencies ended broadly stable. GBP and CNY rose marginally. Investors remain cautious amidst news of possible peace talks between US and Iran. Markets also await central bank decisions. INR was steady as oil prices have weakened. It is trading stronger today, in line with other Asian peers.

**Table 2 – Currencies**

| | 23-07-2026 | 24-07-2026 | Change, % |
|---|---|---|---|
| EUR/USD (1 EUR / USD) | 1.1377 | 1.1370 | (0.1) |
| GBP/USD (1 GBP / USD) | 1.3315 | 1.3325 | 0.1 |
| USD/JPY (JPY / 1 USD) | 163.86 | 163.83 | 0 |
| USD/INR (INR / 1 USD) | 96.57 | 96.57 | 0 |
| USD/CNY (CNY / 1 USD) | 6.7772 | 6.7711 | 0.1 |
| DXY Index | 101.44 | 101.47 | 0 |

Source: Bloomberg, Bank of Baroda Research

- Except China and Japan, other global yields ended lower. UK's 10Y yield fell the most (7bps) and US 10Y yield was down by 2bps, as international oil prices cooled down. Markets also reacted to growing possibility of BoE leaving rates unchanged this year and weaker than expected US flash manufacturing PMI data. India's 10Y fell by 2bps, tracking oil prices.

### Table 3 – Bond 10Y yield

| | 23-07-2026 | 24-07-2026 | Change, bps |
|---|---|---|---|
| US | 4.69 | 4.68 | (2) |
| UK | 5.10 | 5.03 | (7) |
| Germany | 3.20 | 3.17 | (3) |
| Japan | 2.79 | 2.82 | 3 |
| China | 1.73 | 1.72 | 0 |
| India | 6.84 | 6.83 | (2) |

Source: Bloomberg, Bank of Baroda Research

### Table 4 – Short term rates

| | 23-07-2026 | 24-07-2026 | Change, bps |
|---|---|---|---|
| Tbill-91 days | 5.29 | 5.35 | 6 |
| Tbill-182 days | 5.56 | 5.57 | 1 |
| Tbill-364 days | 5.70 | 5.71 | 1 |
| G-Sec 2Y | 6.24 | 6.23 | (1) |
| India OIS-2M | 5.44 | 5.41 | (3) |
| India OIS-9M | 5.91 | 5.86 | (5) |
| SONIA int rate benchmark | 3.73 | 3.73 | 0 |
| US SOFR | 3.62 | 3.64 | 2 |

Source: Bloomberg, Bank of Baroda Research

### Table 5 – Liquidity

| Rs tn | 23-07-2026 | 24-07-2026 | Change (Rs tn) |
|---|---|---|---|
| Net Liquidity (-deficit/+surplus) | 0.6 | 0.9 | 0.3 |

Source: RBI, Bank of Baroda Research

### Table 6 – Capital market flows

| | 22-07-2026 | 23-07-2026 | change (US$ mn/Rs cr) |
|---|---|---|---|
| FII (US$ mn) | 514.0 | (362.8) | (876.8) |
| Debt | 480.2 | (92.8) | (572.9) |
| Equity | 33.8 | (270.1) | (303.9) |
| Mutual funds (Rs cr) | 3,175.4 | (1,666.4) | (4,841.8) |
| Debt | (306.0) | (1,730.0) | (1,424.0) |
| Equity | 3,481.4 | 63.6 | (3,417.8) |

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 16 Jul and 17 Jul 2026

- Oil prices fell, amidst news reports of progress of peace talks between US and Iran.

### Table 7 – Commodities

| | 23-07-2026 | 24-07-2026 | Change, % |
|---|---|---|---|
| Brent crude (US$/bbl) | 100.7 | 96.8 | (3.9) |
| Gold (US$/ Troy Ounce) | 4,049.5 | 4,052.8 | 0.1 |
| Copper (US$/ MT) | 13,599.1 | 13,653.8 | 0.4 |
| Zinc (US$/MT) | 3,627.4 | 3,641.7 | 0.4 |
| Aluminium (US$/MT) | 3,188.0 | 3,159.5 | (0.9) |

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