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As optimism fades around US-Iran peace talks, international oil prices have rebounded and treasury yields have also inched up, in anticipation of possible impact of war on inflation. On the macro front, jobless claims in the US rose by 5k in the week ending 21 Mar'26 to 210k from 205k in the previous week. However, 4-week moving average of continuing claims fell by 2k to 1.85mn—lowest since early Oct'24. Elsewhere in Asia, China's data for Jan-Feb'26 shows that industrial profits rose by 15.2% (YoY), following 0.6% increase in CY25. This was helped by sectors such as computers, communication, non-ferrous metal smelting, and electronic equipment manufacturing. In India, to ease the burden of rising international oil prices on OMCs, central government has reduced special additional excise duty on petrol from Rs 13/lt to Rs 3/lt and on diesel from Rs 10/lt to zero.

- Global indices closed lower amidst contradictory statements pertaining to West Asia conflict. Crude prices jumped higher. Amongst other indices, Hang Seng dropped the most followed by deep losses in S&P 500. Sensex is trading lower in the opening session today, given subdued global cues. On other hand, other Asian indices are trading higher.

Table 1 – Stock markets

	25-03-2026	26-03-2026	Change, %
Dow Jones	46,429	45,960	(1.0)
S & P 500	6,592	6,477	(1.7)
FTSE	10,107	9,972	(1.3)
Nikkei	53,750	53,604	(0.3)
Hang Seng	25,336	24,856	(1.9)
Shanghai Comp	3,932	3,889	(1.1)
Sensex	74,068	75,273	1.6
Nifty	22,912	23,306	1.7

Source: Bloomberg, Bank of Baroda Research| Note: Markets in India were closed on 26 Mar 2026

- Global currencies closed lower. Dollar index continues to strengthen as US-Iran talks face uncertainty. Both GBP and EUR were down by 0.3% as investors monitored ongoing developments. INR is trading lower today given higher oil prices while other Asian currencies are trading mixed.

Table 2 – Currencies

	25-03-2026	26-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1559	1.1527	(0.3)
GBP/USD (1 GBP / USD)	1.3365	1.3330	(0.3)
USD/JPY (JPY / 1 USD)	159.47	159.81	(0.2)
USD/INR (INR / 1 USD)	93.88	93.97	(0.1)
USD/CNY (CNY / 1 USD)	6.9026	6.9140	(0.2)
DXY Index	99.60	99.90	0.3

Source: Bloomberg, Bank of Baroda Research| Note: Markets in India were closed on 26 Mar 2026

- Barring China, other global yields inched up. UK's 10Y yield rose the most as revival in oil prices is expected to impact the already stubborn inflation even more. Chances of rate hikes by BoE in Apr'26 are also increasing. In the US as well, pressure on inflation and relatively steady labour market is fuelling rate hike expectations. India's 10Y yield rose by 1bps. It is trading much higher today at 6.93%, as tax cut announced by the government will impact is revenues.

Table 3 – Bond 10Y yield

	25-03-2026	26-03-2026	Change, bps
US	4.33	4.41	8
UK	4.84	4.97	14
Germany	2.96	3.07	12
Japan	2.26	2.28	2
China	1.83	1.82	0
India	6.87	6.88	1

Source: Bloomberg, Bank of Baroda Research| Note: Markets in India were closed on 26 Mar 2026

Table 4 – Short term rates

	24-03-2026	25-03-2026	Change, bps
Tbill-91 days	5.37	5.37	0
Tbill-182 days	5.50	5.43	(7)
Tbill-364 days	5.67	5.63	(4)
G-Sec 2Y	6.21	6.25	4
India OIS-2M	5.47	5.47	0
India OIS-9M	5.79	5.77	(2)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.64	1

Source: Bloomberg, Bank of Baroda Research| Note: Markets in India were closed on 26 Mar 2026

Table 5 – Liquidity

Rs tn	24-03-2026	25-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.6	0.4	(0.2)

Source: RBI, Bank of Baroda Research| Note: Markets in India were closed on 26 Mar 2026

Table 6 – Capital market flows

	23-03-2026	24-03-2026	change (US$ mn/Rs cr)
FII (US$ mn)	(811.7)	(856.5)	(44.7)
Debt	391.6	(87.9)	(479.5)
Equity	(1,203.4)	(768.6)	434.8
Mutual funds (Rs cr)	3,580.9	(145.8)	(3,726.7)
Debt	(7.9)	(4,444.4)	(4,436.4)
Equity	3,588.8	4,298.6	709.8

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 19 & 20 Mar 2026

- Oil prices rose further, as optimism around US-Iran peace talks fade.

Table 7 – Commodities

	25-03-2026	26-03-2026	Change, %
Brent crude (US$/bbl)	102.2	108.0	5.7
Gold (US$/ Troy Ounce)	4,506.0	4,376.1	(2.9)
Copper (US$/ MT)	12,250.3	12,076.8	(1.4)
Zinc (US$/MT)	3,058.8	3,065.4	0.2
Aluminium (US$/MT)	3,242.5	3,269.5	0.8

Source: Bloomberg, Bank of Baroda Research

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