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Amidst conflicting statements from US and China on trade negotiations, hopes that an all-out trade war between the two countries might be avoided, provided some relief to investors. Macro data from the US signalled an improvement in consumer sentiment index, along with a moderation in inflation expectations. With a slew of macro data scheduled to be released this week, including the crucial jobs report and GDP data, investors will continue to monitor signs of any weakness in the world's largest economy. In Japan, focus remains on BoJ's policy decision, amidst a hotter than expected inflation report in Tokyo. Investors widely expect the BoJ to keep rates on hold this week. In India, markets are likely to tread cautiously monitoring the evolving geo-political situation.

- Barring China and India (lower), global indices ended higher. Nikkei firmed up ahead of BoJ's policy decision. US stocks were supported by US Treasury Secretary's comments on possible negotiations with its 17 major trading partners. On the other hand, expectations of stimulus in China, kept losses largely capped. Sensex was dragged down by real estate stocks. It is trading higher today while other Asian stocks are trading mixed.

Fig 1 – Stock markets

	24-04-2025	25-04-2025	Change, %
Dow Jones	40,093	40,114	0.1
S & P 500	5,485	5,525	0.7
FTSE	8,407	8,415	0.1
Nikkei	35,039	35,706	1.9
Hang Seng	21,910	21,981	0.3
Shanghai Comp	3,297	3,295	(0.1)
Sensex	79,801	79,213	(0.7)
Nifty	24,247	24,039	(0.9)

Source: Bloomberg, Bank of Baroda Research

- Global currencies broadly ended weaker. DXY edged up, even as investors await more clarity on US-China trade negotiations. JPY depreciated led by an improvement in risk sentiments. INR depreciated by 0.2%. However, it is trading stronger today, while Asian currencies are trading mixed.

Fig 2 – Currencies

	24-04-2025	25-04-2025	Change, %
EUR/USD (1 EUR / USD)	1.1390	1.1365	(0.2)
GBP/USD (1 GBP / USD)	1.3342	1.3315	(0.2)
USD/JPY (JPY / 1 USD)	142.63	143.67	(0.7)
USD/INR (INR / 1 USD)	85.27	85.45	(0.2)
USD/CNY (CNY / 1 USD)	7.2889	7.2867	0
DXY Index	99.38	99.47	0.1

Source: Bloomberg, Bank of Baroda Research | Note: Brackets indicate depreciation against US dollar



- US 10Y yield fell at the sharpest pace supported by softening inflation expectations (University of Michigan 1Y). Falling consumer confidence in the UK, kept its yields lower. Japan's 10Y yield inched up following higher CPI print in Tokyo. India's 10Y yield rose by 4bps, amidst heightened geopolitical tensions. It is trading at 6.37% today.

Fig 3 – Bond 10Y yield

	24-04-2025	25-04-2025	Change, bps
US	4.31	4.24	(8)
UK	4.50	4.48	(2)
Germany	2.45	2.47	2
Japan	1.33	1.34	2
China	1.66	1.66	0
India	6.32	6.36	4

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	24-04-2025	25-04-2025	Change, bps
Tbill-91 days	5.87	5.85	(2)
Tbill-182 days	5.92	5.91	(1)
Tbill-364 days	5.94	5.93	(1)
G-Sec 2Y	6.03	6.05	2
India OIS-2M	5.91	5.91	0
India OIS-9M	5.72	5.73	0
SONIA int rate benchmark	4.46	4.46	0
US SOFR	4.28	4.29	1

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	24-04-2025	25-04-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.0	1.0	0
Reverse Repo	0	0	0
Repo*	0.3	0.3	0

Source: RBI, Bank of Baroda Research, *Includes LTRO

Fig 6 – Capital market flows

	23-04-2025	25-04-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	250.8	724.9	474.1
Debt	(213.6)	90.4	304.0
Equity	464.4	634.5	170.2
Mutual funds (Rs cr)	(4,791.9)	(798.6)	3,993.3
Debt	(2,819.5)	(451.0)	2,368.5
Equity	(1,972.3)	(347.6)	1,624.8

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 22 Apr and 23 Apr 2025

- Oil prices inched up amidst expectations of trade truce.

Fig 7 – Commodities

	24-04-2025	25-04-2025	Change, %
Brent crude (US\$/bbl)	66.6	66.9	0.5
Gold (US\$/ Troy Ounce)	3349.4	3319.7	(0.9)
Copper (US\$/ MT)	9398.9	9376.4	(0.2)
Zinc (US\$/MT)	2654.1	2611.8	(1.6)
Aluminium (US\$/MT)	2449.0	2428.0	(0.9)

Source: Bloomberg, Bank of Baroda Research



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