

MORNING MOCHA

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Global investors found solace from reports stating that Iran has presented a new peace plan to the US. However, latest reports suggest that the US President is unlikely to accept this proposal, once again casting a shadow on the end of the conflict. Separately, Bank of Japan kept its policy rate steady. Unexpectedly, 3 MPC members voted for a rate hike amidst concerns over inflation and growth. While growth forecast for FY 2027 revised lower, both headline and core inflation was estimated to be higher. Germany's GfK consumer sentiment index dropped to a 3-year low of -33.3 in May'26 from -28.1 in Apr'26 due to geo-political tensions. In India, RBI notified final guidelines on Expected Credit Loss (ECL) framework, set to take effect from 1 Apr 2027. Directions on capital charge for credit risk as per the BASEL III guidelines were also notified. This will also be applicable from 1 Apr 2027.

- Global indices closed mixed. Breakdown of talks between US and Iran has increased the uncertainty around opening of Strait of Hormuz. Elevated oil prices, upcoming Fed decision, and negative shock to AI valuations, impacted investor sentiments. Sensex rose, led by gains in realty, power and metal stocks. It is trading higher today, while other Asian indices are trading mixed.

Table 1 – Stock markets

	24-04-2026	27-04-2026	Change, %
Dow Jones	49,231	49,168	(0.1)
S & P 500	7,165	7,174	0.1
FTSE	10,379	10,321	(0.6)
Nikkei	59,716	60,537	1.4
Hang Seng	25,978	25,926	(0.2)
Shanghai Comp	4,080	4,086	0.2
Sensex	76,664	77,304	0.8
Nifty	23,898	24,093	0.8

Source: Bloomberg, Bank of Baroda Research

- Global currencies traded in narrow ranges monitoring developments in US-Iran peace talks. Investors' focus also remains on key central bank meetings this week. Despite higher oil prices, INR appreciated a tad. It is however trading weaker today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	24-04-2026	27-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1722	1.1721	0
GBP/USD (1 GBP / USD)	1.3532	1.3535	0
USD/JPY (JPY / 1 USD)	159.38	159.42	0
USD/INR (INR / 1 USD)	94.26	94.20	0.1
USD/CNY (CNY / 1 USD)	6.8320	6.8266	0.1
DXI Index	98.53	98.50	0

Source: Bloomberg, Bank of Baroda Research



- Barring India and China (flat), other global yields closed higher. UK's 10Y yield rose the most, followed by the US, Germany and Japan. Investors remain worried about inflation risks arising from higher oil prices. Major central bank decisions this week are also awaited. India's 10Y yield ended flat, however, it is trading higher today at 6.97%, following global cues and elevated oil prices.

Table 3 – Bond 10Y yield

	24-04-2026	27-04-2026	Change, bps
US	4.30	4.34	4
UK	4.91	4.97	6
Germany	2.99	3.03	4
Japan	2.44	2.48	4
China	1.76	1.76	0
India	6.94	6.94	0

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	24-04-2026	27-04-2026	Change, bps
Tbill-91 days	5.21	5.33	12
Tbill-182 days	5.43	5.39	(4)
Tbill-364 days	5.53	5.59	6
G-Sec 2Y	6.00	6.02	3
India OIS-2M	5.32	5.31	(1)
India OIS-9M	5.70	5.70	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.65	3.66	1

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	24-04-2026	27-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.0	2.7	(0.3)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	23-04-2026	24-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(13.9)	(1,093.6)	(1,079.8)
Debt	248.7	(168.7)	(417.4)
Equity	(262.5)	(924.9)	(662.4)
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 continued to rise, as uncertainty over US-Iran peace talks dragged on.

Table 7 – Commodities

	24-04-2026	27-04-2026	Change, %
Brent crude (US\$/bbl)	105.3	108.2	2.8
Gold (US\$/ Troy Ounce)	4,709.5	4,682.1	(0.6)
Copper (US\$/ MT)	13,246.8	13,139.3	(0.8)
Zinc (US\$/MT)	3,481.7	3,395.4	(2.5)
Aluminium (US\$/MT)	3,591.0	3,578.0	(0.4)

Source: Bloomberg, Bank of Baroda Research



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