बैंक ऑफ़ बड़ौदा
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Economist
Sonal Badhan

US macro data signals mixed trends in growth. Labour market data shows resilience, with initial jobless claims for the week ending 27 Aug'26 coming in at 203k (est.: 208k), down from 207k in the previous week. Continuing claims (4-week avg) also remain stable at 1.79mn. However, trade data shows that trade deficit has widened to 16-month high of US$ 118.8bn in Jul'26 from US$ 101.4bn in Jun'26. This is largely due to slowdown in exports and jump in imports. Investors now await for more cues from Fed Chair's speech in Jackson Hole later today. Separately, BOK delivered a second consecutive 25bps rate hike in its Aug'26 meeting, as it expects inflation to remain elevated for a considerable period. Domestically, S&P global ratings reaffirmed India's long-term sovereign credit rating at 'BBB', as India remains committed to fiscal consolidation. The agency expects GDP growth at 6.6% in FY27.

- Stocks in the US inched up awaiting fresh cues on rate trajectory ahead of the Jackson Hole speech by Fed Chair. Except Shanghai Comp, Asian stocks inched up as a major technology company gave the forward guidance with bullish outlook. Sensex fell, led by decline in banking stocks. It is trading higher today, in line with other Asian stocks.

Table 1 – Stock markets

	26-08-2026	27-08-2026	Change, %
Dow Jones	53,464	53,569	0.2
S & P 500	7,676	7,731	0.7
FTSE	10,878	10,793	(0.8)
Nikkei	66,262	66,132	(0.2)
Hang Seng	25,653	25,566	(0.3)
Shanghai Comp	3,913	3,957	1.1
Sensex	77,473	76,934	(0.7)
Nifty	24,208	24,091	(0.5)

Source: Bloomberg, Bank of Baroda Research

- Except Yen and INR, other global currencies ended flat against the US$. DXY was also stable. Investors monitored widening US trade deficit, and relatively strong labour market data. INR depreciated, as oil prices have inched up. It is trading steady today while other Asian currencies are trading mixed.

Table 2 – Currencies

	26-08-2026	27-08-2026	Change, %
EUR/USD (1 EUR / USD)	1.1651	1.1653	0
GBP/USD (1 GBP / USD)	1.3595	1.3593	0
USD/JPY (JPY / 1 USD)	159.31	159.39	(0.1)
USD/INR (INR / 1 USD)	95.42	95.55	(0.1)
USD/CNY (CNY / 1 USD)	6.7221	6.7199	0
DXY Index	99.17	99.21	0

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

- US 10Y yield inched up tracking jobless claims data and awaiting fresh signal on rates from Fed's Chair upcoming speech. UK's 10Y yield closed flat. Germany's 10Y yield edged up slightly monitoring consumer confidence data. India's 10Y yield rose by 4bps tracking rise in international oil prices. It is trading even higher today at 6.90%.

Table 3 – Bond 10Y yield

	26-08-2026	27-08-2026	Change, bps
US	4.65	4.68	3
UK	5.03	5.03	0
Germany	3.23	3.25	2
Japan	2.90	2.91	0
China	1.70	1.71	1
India	6.85	6.89	4

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

Table 4 – Short term rates

	26-08-2026	27-08-2026	Change, bps
Tbill-91 days	5.26	5.27	1
Tbill-182 days	5.54	5.60	6
Tbill-364 days	5.74	5.77	3
G-Sec 2Y	6.25	6.26	2
India OIS-2M	5.32	5.33	1
India OIS-9M	5.75	5.78	3
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.66	3.64	(2)

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

Table 5 – Liquidity

Rs tn	25-08-2026	27-08-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.8	3.7	(0.1)

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

Table 6 – Capital market flows

	24-08-2026	25-08-2026	change (US$ mn/Rs cr)
FII (US$ mn)	154.1	314.8	160.8
Debt	(20.2)	16.2	36.4
Equity	174.2	298.6	124.4
Mutual funds (Rs cr)	(2,183.2)	10,525.5	12,708.7
Debt	(6,975.6)	5,953.7	12,929.3
Equity	4,792.4	4,571.8	(220.5)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 12 Aug and 13 Aug 2026

- Oil prices rose again, as news reports indicate that Washington has rejected to return to Jun'26 terms & conditions of ceasefire deal with Iran.

Table 7 – Commodities

	26-08-2026	27-08-2026	Change, %
Brent crude (US$/bbl)	87.8	89.7	2.1
Gold (US$/ Troy Ounce)	4,591.1	4,599.2	0.2
Copper (US$/ MT)	14,461.6	14,453.9	(0.1)
Zinc (US$/MT)	4,092.0	4,115.8	0.6
Aluminium (US$/MT)	3,225.0	3,234.5	0.3

Source: Bloomberg, Bank of Baroda Research

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For further details about this publication, please contact:

Chief Economist
Bank of Baroda
+91 22 6698 5143
chief.economist@bankofbaroda.com