

MORNING MOCHA

29 April 2025

ECONOMIST

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Reports indicated that the US government is likely to announce some relief on auto tariffs. Earlier, the US President had announced a 25% tariff on imported auto parts, slated to take effect from 3 May 2025. The move is expected to benefit US car manufacturers and signals growing flexibility from the US on its tariff stance. However, the ambiguity with respect to US-China trade negotiations continued, with investors continuing to await any signs of de-escalation from either side. In India, industrial production growth eased to 4% in FY25 from 5.9% in FY24. Separately, RBI announced fresh OMO purchase of Rs. 1.25 lakh crores in May'25. This is in addition to the Rs. 80,000 crore OMO auction already conducted in Apr'25, and is likely to put further downward pressure on domestic yields.

- Barring China, global indices ended higher. Investors monitored developments on tariff front and corporate earnings. US stocks inched up, supported by White House's softening stance on auto tariffs. Stocks in China moderated tracking comments from its Foreign Minister. Sensex was supported by oil and gas stocks. It is trading higher today, while Asian stocks are trading mixed.

Fig 1 – Stock markets

	25-04-2025	28-04-2025	Change, %
Dow Jones	40,114	40,228	0.3
S & P 500	5,525	5,529	0.1
FTSE	8,415	8,417	0
Nikkei	35,706	35,840	0.4
Hang Seng	21,981	21,972	0
Shanghai Comp	3,295	3,288	(0.2)
Sensex	79,213	80,218	1.3
Nifty	24,039	24,329	1.2

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended stronger against the dollar. DXY declined by 0.5% awaiting US macro data. JPY posted the maximum gains, ahead of BoJ policy meet. INR appreciated to a 4-month high, led by lower oil prices and positive global cues. However, it is trading marginally weaker today, in line with other Asian currencies.

Fig 2 – Currencies

	25-04-2025	28-04-2025	Change, %
EUR/USD (1 EUR / USD)	1.1365	1.1420	0.5
GBP/USD (1 GBP / USD)	1.3315	1.3441	0.9
USD/JPY (JPY / 1 USD)	143.67	142.01	1.2
USD/INR (INR / 1 USD)	85.45	85.03	0.5
USD/CNY (CNY / 1 USD)	7.2867	7.2874	0
DXY Index	99.47	99.01	(0.5)

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



- US 10Y yield softened ahead of major jobs reports and PCE data release. Germany's 10Y yield stiffened despite some growing expectations of rate cut by ECB. UK's 10Y yield inched up albeit softening retail sales volume data. India's 10Y yield rose by 3bps. It is trading lower at 6.33% today, supported by RBI's fresh OMO purchase announcement, in consonance with daily VRR.

Fig 3 – Bond 10Y yield

	25-04-2025	28-04-2025	Change, bps
US	4.24	4.21	(3)
UK	4.48	4.51	3
Germany	2.47	2.52	5
Japan	1.34	1.32	(2)
China	1.66	1.65	(1)
India	6.36	6.40	3

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	25-04-2025	28-04-2025	Change, bps
Tbill-91 days	5.85	5.87	2
Tbill-182 days	5.91	5.91	0
Tbill-364 days	5.93	5.92	(1)
G-Sec 2Y	6.05	6.09	4
India OIS-2M	5.91	5.91	0
India OIS-9M	5.73	5.73	1
SONIA int rate benchmark	4.46	4.46	0
US SOFR	4.29	4.33	4

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	25-04-2025	28-04-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.0	0.9	(0.1)
Reverse Repo	0	0	0
Repo*	0.3	0.3	0

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

Fig 6 – Capital market flows

	24-04-2025	25-04-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	724.9	624.4	(100.5)
Debt	90.4	35.4	(55.0)
Equity	634.5	589.0	(45.5)
Mutual funds (Rs cr)	(798.6)	(5,103.6)	(4,305.0)
Debt	(451.0)	(140.6)	310.4
Equity	(347.6)	(4,963.0)	(4,615.4)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 23 Apr and 24 Apr 2025

- Oil prices softened as demand outlook remains worrisome amidst tariff turmoil.

Fig 7 – Commodities

	25-04-2025	28-04-2025	Change, %
Brent crude (US\$/bbl)	66.9	65.9	(1.5)
Gold (US\$/ Troy Ounce)	3319.7	3344.0	0.7
Copper (US\$/ MT)	9376.4	9406.6	0.3
Zinc (US\$/MT)	2611.8	2597.8	(0.5)
Aluminium (US\$/MT)	2428.0	2434.0	0.2

Source: Bloomberg, Bank of Baroda Research



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