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Risks of renewed strikes between US and Iran, post US midterm elections have increased, leading to rise oil prices until last week. Oil rose to hover close to ~118/bbl. However, today it is trading 3.2% lower, as Iran await US response on reopening of the Strait of Hormuz. On the macro front, GDP numbers for both Germany and Eurozone surprised positively. Germany's GDP rose by 0.2% (QoQ) in Q3CY26, versus est. 0.1%, supported by government spending (on defence and infrastructure) and private consumption. Exports and investments weakened. Eurozone GDP rose by 0.4% versus est.: 0.2%. However, as energy prices continue to escalate, risks to growth remain. Domestically, RBI data shows that India's services trade surplus rose to US$ 53.4bn in Q2FY27 from US$ 52.2bn in Q1. Also, India's fiscal deficit has reached 42.1% of BE in H1FY27 versus 36.5% in H1FY26.

- Global indices closed mixed. US indices closed lower with losses in AI and technology related stocks. Investors this week will turn their focus towards upcoming Mid-term elections, corporate earnings, and jobs report. Amongst other indices, Nikkei slipped the most. However, Sensex inched up with gains in IT related stocks. It is trading further higher today in line with other Asian stocks.

Table 1 – Stock markets

	29-10-2026	30-10-2026	Change, %
Dow Jones	52,343	51,770	(1.1)
S & P 500	7,720	7,580	(1.8)
FTSE	10,722	10,730	0.1
Nikkei	64,659	63,290	(2.1)
Hang Seng	22,959	23,294	1.5
Shanghai Comp	3,651	3,599	(1.4)
Sensex	74,151	74,460	0.4
Nifty	22,937	23,053	0.5

Source: Bloomberg, Bank of Baroda Research

- Barring EUR, other global currencies closed higher. Dollar index noted weakness despite better-than-expected macro data (jobless claims). INR appreciated despite higher oil prices. It is trading further stronger today in line with other Asian currencies.

Table 2 – Currencies

	29-10-2026	30-10-2026	Change, %
EUR/USD (1 EUR / USD)	1.1180	1.1160	(0.2)
GBP/USD (1 GBP / USD)	1.3376	1.3391	0.1
USD/JPY (JPY / 1 USD)	157.71	157.56	0.1
USD/INR (INR / 1 USD)	95.26	94.96	0.3
USD/CNY (CNY / 1 USD)	6.6611	6.6549	0.1
DXY Index	102.04	101.88	(0.2)

Source: Bloomberg, Bank of Baroda Research

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- Except China and India, other global 10Y yields closed lower. Japan's yield fell the most, noting strong demand in auction. US 10Y yield remained range bound and continue to hover near 5% mark tracking strong GDP and inflation data. However, India's 10Y yield rose by 2bps, as oil prices remain higher. Today, it is trading lower, tracking latest dip in oil prices, as Iran awaits US response to its proposal to reopen Strait of Hormuz.

Table 3 – Bond 10Y yield

	29-10-2026	30-10-2026	Change, bps
US	4.94	4.93	(1)
UK	5.29	5.28	(1)
Germany	3.36	3.32	(3)
Japan	2.85	2.78	(6)
China	1.62	1.64	2
India	7.39	7.41	2

Source: Bloomberg, Bank of Baroda Research:

Table 4 – Short term rates

	29-10-2026	30-10-2026	Change, bps
Tbill-91 days	5.90	5.91	1
Tbill-182 days	6.53	6.54	1
Tbill-364 days	6.66	6.66	0
G-Sec 2Y	7.03	7.03	0
India OIS-2M	5.89	5.91	2
India OIS-9M	6.53	6.57	4
SONIA int rate benchmark	3.73	3.74	0
US SOFR	3.94	3.94	0

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	29-10-2026	30-10-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.3	1.4	1.1

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	28-10-2026	29-10-2026	change (US$ mn/Rs cr)
FII (US$ mn)	298.6	(32.4)	(331.1)
Debt	75.5	51.8	(23.8)
Equity	223.1	(84.2)	(307.3)
Mutual funds (Rs cr)	(11,868.7)	(6,818.0)	5,050.7
Debt	(13,695.5)	(9,620.3)	4,075.2
Equity	1,826.8	2,802.3	975.5

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 22 Oct and 23 Oct 2026

- Oil price rose further last week amidst heightened tensions in the Middle East and fears of supply disruptions.

Table 7 – Commodities

	29-10-2026	30-10-2026	Change, %
Brent crude (US$/bbl)	114.9	117.6	2.4
Gold (US$/ Troy Ounce)	4,021.5	3,874.6	(3.7)
Copper (US$/ MT)	14,579.2	14,329.4	(1.7)
Zinc (US$/MT)	3,983.1	3,913.3	(1.8)
Aluminium (US$/MT)	3,078.5	3,069.0	(0.3)

Source: Bloomberg, Bank of Baroda Research

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