

**MORNING MOCHA**

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Trade concerns eased marginally as the US President announced tweaks to auto tariffs, and US Commerce Chief hinted at the completion of a trade deal with a foreign trading partner. This came on heels of macro data which signalled further economic distress. US trade deficit rose to a record high in Mar'25, while consumer confidence slipped to near 5-year low in Apr'25. JOLTS survey also showed a decline in US job openings in Mar'25. In China as well, the impact of tariffs was pronounced with the official manufacturing PMI slipping to at 49.0 in Apr'25 (lowest since Dec'23). Industrial production in Japan fell by 1.1% in Mar'25 (MoM), amidst tariff related uncertainty. Separately in India, private sector capex is estimated to have increased by 66.3% between FY22-FY25 as per a survey by MoSPI.

- Equity indices broadly edged up amidst expectations of upbeat earnings report from major technology companies. US stocks rose the most, followed by FTSE. Shanghai Comp moderated anticipating more stimulus to drive growth. Sensex notched a tad higher. It is also trading higher today, while Asian stocks are trading mixed as China's PMI data disappointed.

**Fig 1 – Stock markets**

	28-04-2025	29-04-2025	Change, %
Dow Jones	40,228	40,528	0.7
S & P 500	5,529	5,561	0.6
FTSE	8,417	8,463	0.5
Nikkei	35,706	35,840	0.4
Hang Seng	21,972	22,008	0.2
Shanghai Comp	3,288	3,287	(0.1)
Sensex	80,218	80,288	0.1
Nifty	24,329	24,336	0

Source: Bloomberg, Bank of Baroda Research | Note: Markets in Japan were closed on 28 Apr 2025

- Except CNY, other global currencies ended weaker against the dollar. DXY rose by 0.2% despite weak macro data from the US. EUR depreciated by 0.3% even as Germany's GfK consumer confidence index improved. INR also depreciated in line with global cues. However, it is trading stronger today, while other Asian currencies are trading mixed.

**Fig 2 – Currencies**

	28-04-2025	29-04-2025	Change, %
EUR/USD (1 EUR / USD)	1.1420	1.1387	(0.3)
GBP/USD (1 GBP / USD)	1.3441	1.3409	(0.2)
USD/JPY (JPY / 1 USD)	142.01	142.33	(0.2)
USD/INR (INR / 1 USD)	85.03	85.26	(0.3)
USD/CNY (CNY / 1 USD)	7.2874	7.2714	0.2
DXY Index	99.01	99.24	0.2

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



- Global yields softened, led by US amidst muted macro prints such as moderating consumer confidence and employment data. In UK, a fall in BRC shop price data led to a fall in its yield. Germany's 10Y yield also inched down expecting a further moderation in CPI. India's 10Y yield fell by 5bps, supported by RBI's liquidity measures. It is trading stable today.

**Fig 3 – Bond 10Y yield**

	28-04-2025	29-04-2025	Change, bps
US	4.21	4.17	(4)
UK	4.51	4.48	(3)
Germany	2.52	2.50	(2)
Japan	1.34	1.32	(2)
China	1.65	1.63	(2)
India	6.40	6.34	(5)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in Japan were closed on 28 Apr 2025

**Fig 4 – Short term rates**

	28-04-2025	29-04-2025	Change, bps
Tbill-91 days	5.87	5.88	1
Tbill-182 days	5.91	5.94	3
Tbill-364 days	5.92	5.89	(3)
G-Sec 2Y	6.09	6.03	(6)
India OIS-2M	5.91	5.88	(3)
India OIS-9M	5.73	5.68	(5)
SONIA int rate benchmark	4.46	4.46	0
US SOFR	4.33	4.36	3

Source: Bloomberg, Bank of Baroda Research

**Fig 5 – Liquidity**

Rs tn	28-04-2025	29-04-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.9	0.8	(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**

	25-04-2025	28-04-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	624.4	71.9	(552.6)
Debt	35.4	(222.7)	(258.2)
Equity	589.0	294.6	(294.4)
Mutual funds (Rs cr)	(5,103.6)	(838.8)	4,264.8
Debt	(140.6)	(3,654.9)	(3,514.3)
Equity	(4,963.0)	2,816.0	7,779.0

Source: Bloomberg, Bank of Baroda Research

- Oil prices eased as macro indicators in the US showed signs of stress.

**Fig 7 – Commodities**

	28-04-2025	29-04-2025	Change, %
Brent crude (US\$/bbl)	65.9	64.3	(2.4)
Gold (US\$/ Troy Ounce)	3344.0	3317.4	(0.8)
Copper (US\$/ MT)	9406.6	9430.2	0.3
Zinc (US\$/MT)	2597.8	2614.9	0.7
Aluminium (US\$/MT)	2434.0	2465.5	1.3

Source: Bloomberg, Bank of Baroda Research



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