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IMF has revised its global growth forecast upwards to 3% for 2025 (+20bps) and 3.1% for 2026 (+10bps). A dip US effective rate from 24.4% to 17.3% and frontloading ahead of US tariffs has helped the growth outlook. However, it cautioned that tariff related uncertainty, geo-political tensions and elevated fiscal deficits remain major risks to growth. Growth projections for almost all major economies were revised higher, with China (+80bps) noting the maximum increase. India's growth projection was also revised up to 6.4% in FY26 (+20bps) and FY27 (+10bps), citing a stable external environment. Separately, US-China trade talks continued seeking an extension of the trade truce. US President also hinted at a 20-25% tariff rate on Indian exports, while expressing satisfaction with the progress in trade negotiations with India.

- Global indices ended mixed as investors monitored trade developments, corporate earnings and macro data. Stocks in US declined as JOLTS data signalled some stress in labour market. Nikkei dipped as investors await guidance from BoJ. Sensex edged higher, led by gains in real estate and oil and gas stocks. It is trading further higher today, in line with other Asian peers.

Fig 1 – Stock markets

	28-07-2025	29-07-2025	Change, %
Dow Jones	44,838	44,633	(0.5)
S & P 500	6,390	6,371	(0.3)
FTSE	9,081	9,136	0.6
Nikkei	40,998	40,675	(0.8)
Hang Seng	25,562	25,524	(0.1)
Shanghai Comp	3,598	3,610	0.3
Sensex	80,891	81,338	0.6
Nifty	24,681	24,821	0.6

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended mixed. DXY rose, supported by an uptick in US consumer confidence index (Conference Board). EUR dipped further. INR depreciated due to higher oil prices and muted FPI flows. However, it is trading further weaker today, while other Asian currencies are trading mostly higher.

Fig 2 – Currencies

	28-07-2025	29-07-2025	Change, %
EUR/USD (1 EUR / USD)	1.1589	1.1547	(0.4)
GBP/USD (1 GBP / USD)	1.3356	1.3351	0
USD/JPY (JPY / 1 USD)	148.53	148.46	0
USD/INR (INR / 1 USD)	86.66	86.82	(0.2)
USD/CNY (CNY / 1 USD)	7.1788	7.1770	0
DXY Index	98.63	98.89	0.3

Source: Bloomberg, Bank of Baroda Research



- Global yields ended mixed. US 10Y yield dipped sharply by 9bps tracking a weakness in labour market data (JOLTS job openings), with focus shifting to Fed's commentary. In China, 10Y yield rose by 3bps as trade talks with the US were cited to be "constructive". India's 10Y yield declined by 1bps to 6.36%. It is trading steady today.

Fig 3 – Bond 10Y yield

	28-07-2025	29-07-2025	Change, bps
US	4.41	4.32	(9)
UK	4.65	4.63	(1)
Germany	2.69	2.71	2
Japan	1.57	1.58	1
China	1.72	1.75	3
India	6.37	6.36	(1)

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	28-07-2025	29-07-2025	Change, bps
Tbill-91 days	5.35	5.37	2
Tbill-182 days	5.49	5.49	0
Tbill-364 days	5.54	5.52	(2)
G-Sec 2Y	5.69	5.71	2
India OIS-2M	5.45	5.44	(1)
India OIS-9M	5.50	5.50	0
SONIA int rate benchmark	4.22	4.22	0
US SOFR	4.30	4.36	6

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	28-07-2025	29-07-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.2	2.7	0.5
Reverse Repo	0	1.3	1.3
Repo*	0	0	0

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

Fig 6 – Capital market flows

	25-07-2025	28-07-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(159.8)	(778.8)	(619.0)
Debt	4.3	(89.8)	(94.0)
Equity	(164.1)	(689.0)	(525.0)
Mutual funds (Rs cr)	2,252.1	(3,675.1)	(5,927.1)
Debt	(2,153.2)	(5,177.1)	(3,023.9)
Equity	4,405.2	1,502.0	(2,903.2)

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

- Oil prices surged as US President's ultimatum to Russia led to supply concerns.

Fig 7 – Commodities

	28-07-2025	29-07-2025	Change, %
Brent crude (US\$/bbl)	70.0	72.5	3.5
Gold (US\$/ Troy Ounce)	3,314.6	3,326.6	0.4
Copper (US\$/ MT)	9,738.7	9,746.3	0.1
Zinc (US\$/MT)	2,815.6	2,801.1	(0.5)
Aluminium (US\$/MT)	2,631.5	2,605.5	(1.0)

Source: Bloomberg, Bank of Baroda Research



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