

MORNING MOCHA

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 ECONOMIST
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News reports indicate that US President Donald Trump has refused the proposal sent by Iran. US has sent a revised version to them, which is currently under review by Iran. Also, President Trump has signalled that US may increase tariffs on European cars and trucks to 25%, if the automakers do not comply with EU-US trade agreement measures. Separately on the macro front, Apr'26 ISM manufacturing index remained unchanged from the previous month at 52.7(est.: 53.2), as sub-index for production, employment and backlog of orders fell, while that of new orders and prices rose. In Japan (55.1 in Apr'26 versus 51.6 in Mar'26) and UK (53.7 versus 51), manufacturing sectors registered a recovery in Apr'26. This was primarily due to clearing of backlog of orders, higher new orders (both domestic and external) and production. On the domestic front, price of commercial LPG gas cylinder has been increased by Rs 993 to ~Rs 3,071 for 19kg cylinder and by Rs 261 for 5kg cylinder.

- Global stock indices closed mixed. Better than expected earnings reports and technology shares supported the rally in S&P500. Weak ISM manufacturing impacted Dow Jones. Nikkei rose the most, supported by technology stocks. Sensex is trading higher today, while Asian indices are trading mixed.

Table 1 – Stock markets

	30-04-2026	1-05-2026	Change, %
Dow Jones	49,652	49,499	(0.3)
S & P 500	7,209	7,230	0.3
FTSE	10,379	10,364	(0.1)
Nikkei	59,285	59,513	0.4
Hang Seng	26,112	25,777	(1.3)
Shanghai Comp	4,108	4,112	0.1
Sensex	77,496	76,914	(0.8)
Nifty	24,178	23,998	(0.7)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in HK, China and India were closed on 1.5.2026

- Most global currencies ended weaker. DXY rose by 0.1%. With no signs of easing tensions between US and Iran, demand for safe-haven assets held ground. JPY and GBP fell the most, as respective central banks held rates steady. INR is trading flat today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	30-04-2026	1-05-2026	Change, %
EUR/USD (1 EUR / USD)	1.1731	1.1721	(0.1)
GBP/USD (1 GBP / USD)	1.3604	1.3583	(0.2)
USD/JPY (JPY / 1 USD)	156.59	157.01	(0.3)
USD/INR (INR / 1 USD)	94.85	94.92	(0.1)
USD/CNY (CNY / 1 USD)	6.8404	6.8281	0.2
DXY Index	98.06	98.16	0.1

Source: Bloomberg, Bank of Baroda Research | Note: Markets in China and India were closed on 1.5.2026



- Global yields closed mixed. UK's 10Y yield declined by 5bps as BoE decided to keep rates on hold and as international oil prices also eased. Yields in US, and Germany ended flat as investors continue to monitor situation in West Asia. Today, India's 10Y yield is trading lower by 3bps at 6.99%, following global cues and lower oil prices.

Table 3 – Bond 10Y yield

	30-04-2026	1-05-2026	Change, bps
US	4.37	4.37	0
UK	5.01	4.96	(5)
Germany	3.04	3.04	0
Japan	2.53	2.52	(1)
China	1.75	1.75	0
India	6.99	7.02	2

Source: Bloomberg, Bank of Baroda Research | Note: Markets in China and India were closed on 1.5.2026

Table 4 – Short term rates

	30-04-2026	1-05-2026	Change, bps
Tbill-91 days	5.25	5.28	3
Tbill-182 days	5.46	5.46	0
Tbill-364 days	5.64	5.66	2
G-Sec 2Y	6.18	6.21	3
India OIS-2M	5.36	5.38	2
India OIS-9M	5.79	5.80	1
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.66	3

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	29-04-2026	30-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.1	2.6	0.5

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	28-04-2026	29-04-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(80.0)	(47.1)	32.9
Debt	130.7	161.7	30.9
Equity	(210.7)	(208.7)	2.0
Mutual funds (Rs cr)	(727.8)	1,207.9	1,935.6
Debt	(4,803.7)	(140.4)	4,663.3
Equity	4,075.9	1,348.2	(2,727.7)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 27 Apr and 28 Apr 2026

- Oil prices fell by ~5% as investors assess the impact of UAE exiting OPEC.

Table 7 – Commodities

	30-04-2026	1-05-2026	Change, %
Brent crude (US\$/bbl)	114.0	108.2	(5.1)
Gold (US\$/ Troy Ounce)	4,617.9	4,614.2	(0.1)
Copper (US\$/ MT)	12,910.8	12,916.4	0
Zinc (US\$/MT)	3,359.8	3,335.6	(0.7)
Aluminium (US\$/MT)	3,474.0	3,522.0	1.4

Source: Bloomberg, Bank of Baroda Research



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