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Global investors remained on edge since situation in Middle East remains fluid and especially since no truce has been reached so far. Given such mixed signals, crude prices yet again surged by 7.8%. Separately, US administration has yet gain announced 100% tariffs on patented pharma imports and maintaining 50% tariff on steel and aluminium. This comes a year after the 'liberation day' tariffs, which had impacted the global markets. On macro front, US trade deficit widened by 4.9% to US\$ 57.3 bn in Feb'26 from US\$ 54.7 bn in Jan'26, led by strong imports (4.3%). On the labour market, weekly jobless claims slipped to 202k, signalling labour market remained steady as layoffs remained lower. Moreover, as per non-farm payroll report, over 178k jobs were added in Mar'26 and unemployment rate was down to 4.3%. This week, investors will closely track US inflation and earnings report along with RBI's first monetary policy decision for FY27.

- Global indices closed mixed given conflicting signs emerging from the West Asia conflict. Amongst other indices, Nikkei surged the most. Investors will closely monitor jobs report and inflation reading this week. Sensex is trading lower today in line with other Asian markets amidst fresh threats from the US.

Table 1 – Stock markets

	02-04-2026	03-04-2026	Change, %
Dow Jones	46,566	46,505	(0.1)
S & P 500	6,575	6,583	0.1
FTSE	10,365	10,436	0.7
Nikkei	52,463	53,123	1.3
Hang Seng	25,294	25,117	(0.7)
Shanghai Comp	3,919	3,880	(1.0)
Sensex	73,134	73,320	0.3
Nifty	22,679	22,713	0.1

Source: Bloomberg, Bank of Baroda Research Note: Apart from markets in Japan and China, other markets remained open on 3 Apr 2026

- Global currencies ended mixed. DXY edged up amidst better than expected jobs report that has curtailed Fed's rate cut expectations. GBP and EUR was down by 0.2% each. However, INR is trading sharply stronger today while other Asian currencies are trading mixed.

Table 2 – Currencies

	02-04-2026	03-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1539	1.1519	(0.2)
GBP/USD (1 GBP / USD)	1.3227	1.3202	(0.2)
USD/JPY (JPY / 1 USD)	159.60	159.67	0
USD/INR (INR / 1 USD)	94.83	93.11	1.9
USD/CNY (CNY / 1 USD)	6.8851	6.8818	0
DXY Index	99.65	100.03	0.4

Source: Bloomberg, Bank of Baroda Research, Note: Indian markets were closed on 3 Apr 2026



- Barring US, other major global were closed. US 10Y yield rose by 4bps, tracking jobs data (non-farm payroll roles, unemployment rate). Steadiness in the labour market is raising more questions regarding scope of rate cuts that Fed can make in this year. India's bond market was closed, but it has opened lower today at 7.1%, awaiting RBI's decision.

Table 3 – Bond 10Y yield

	02-04-2026	03-04-2026	Change, bps
US	4.30	4.34	4
UK	4.83	4.83	0
Germany	2.99	2.99	1
Japan	2.31	2.39	8
China	1.82	1.82	0
India	7.04	7.13	10

Source: Bloomberg, Bank of Baroda Research , Note: Apart from US, other major global markets were closed on 3 Apr 2026

Table 4 – Short term rates

	02-04-2026	03-04-2026	Change, bps
Tbill-91 days	5.38	5.37	(1)
Tbill-182 days	5.53	5.65	12
Tbill-364 days	5.64	5.69	5
G-Sec 2Y	6.37	6.49	13
India OIS-2M	5.65	5.63	(2)
India OIS-9M	6.12	6.17	5
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.65	2

Source: Bloomberg, Bank of Baroda Research , Note: Indian markets were closed on 3 Apr 2026

Table 5 – Liquidity

Rs tn	01-04-2026	02-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.8	3.6	(1.8)

Source: RBI, Bank of Baroda Research, Note: Indian markets were closed on 3 Apr 2026

Table 6 – Capital market flows

	27-03-2026	30-03-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(237.3)	(2,416.1)	(2,178.7)
Debt	181.8	(320.3)	(502.1)
Equity	(419.1)	(2,095.8)	(1,676.7)
Mutual funds (Rs cr)	368.2	(9,072.7)	(9,440.9)
Debt	(2,231.5)	(9,290.4)	(7,058.9)
Equity	2,599.7	217.7	(2,382.0)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 25 & 27th Mar 2026

- Oil prices rose amidst conflicting signs on West Asia conflict.

Table 7 – Commodities

	02-04-2026	03-04-2026	Change, %
Brent crude (US\$/bbl)	101.2	109.0	7.8
Gold (US\$/ Troy Ounce)	4,758.6	4,676.8	(1.7)
Copper (US\$/ MT)	12,349.1	12,287.9	(0.5)
Zinc (US\$/MT)	3,281.3	3,262.6	(0.6)
Aluminium (US\$/MT)	3,531.5	3,469.5	(1.8)

Source: Bloomberg, Bank of Baroda Research Note: Global commodity markets were shut on 3rd Mar 2026.



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