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In latest developments surrounding the West Asia conflict, US and Iran have agreed to a 2-week ceasefire with a new proposal laid down by Iran with a 10-point agenda. The ceasefire announcement came 2 hours prior to the timeline given by the US to reopen the strait of Hormuz. Based on the developments, investors are reassessing movement of various indices, with expectations of a possible rally in the global bond market. Crude price is already trading below the US$ 100/bbl mark today, down by 13.3%. Separately, on macro front, China's PBoC continued with gold buying spree for the 17th straight month, with its gold holding rising to 74.4mn (troy ounce) in Mar'26 (74.2mn in Feb'26). On the domestic front, all eyes will be on the monetary policy decision. We expect a status quo on rates and no change in stance. Though, there might be some announcements pertaining to liquidity support and INR.

- Global stock markets closed mixed. FTSE and Hang Seng fell the most, while Indian markets made notable gains. In India, stable currency and policy expectations helped outset geo-political uncertainty factor. Technology, realty and metal stocks gained the most. Today, following the news of temporary ceasefire between US and Iran, Sensex and Asian indices are trading higher.

Table 1 – Stock markets

	06-04-2026	07-04-2026	Change, %
Dow Jones	46,670	46,584	(0.2)
S & P 500	6,612	6,617	0.1
FTSE	10,436	10,349	(0.8)
Nikkei	53,414	53,430	0
Hang Seng	25,294	25,117	(0.7)
Shanghai Comp	3,880	3,890	0.3
Sensex	74,107	74,617	0.7
Nifty	22,968	23,124	0.7

Source: Bloomberg, Bank of Baroda Research

- Barring JPY (flat), other global currencies ended higher. DXY softened and moved closer to 99 mark given the announcement of the ceasefire. INR appreciated further amidst support from RBI's measures and dip in oil prices. It is trading stronger today while other Asian currencies are trading mixed.

Table 2 – Currencies

	06-04-2026	07-04-2026	Change, %
EUR/USD (1 EUR / USD)	1.1541	1.1595	0.5
GBP/USD (1 GBP / USD)	1.3235	1.3291	0.4
USD/JPY (JPY / 1 USD)	159.68	159.62	0
USD/INR (INR / 1 USD)	93.06	93.00	0.1
USD/CNY (CNY / 1 USD)	6.8818	6.8629	0.3
DXY Index	99.98	99.86	(0.1)

Source: Bloomberg, Bank of Baroda Research

- Global 10Y yields closed mixed. US 10Y yield fell by 4bps as yields responded to steadiness in oil prices and more than expected decline in durable goods orders. In the UK, yields rose as investors gauge future rate trajectory of BoE. India's G-sec yield was flat. However, it is trading sharply lower today at 6.92%, following the announcement of US-Iran ceasefire and decline in oil prices.

Table 3 – Bond 10Y yield

	06-04-2026	07-04-2026	Change, bps
US	4.33	4.29	(4)
UK	4.83	4.90	7
Germany	2.99	3.08	9
Japan	2.42	2.42	(1)
China	1.82	1.81	(1)
India	7.05	7.05	0

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	06-04-2026	07-04-2026	Change, bps
Tbill-91 days	5.37	5.43	6
Tbill-182 days	5.65	5.56	(9)
Tbill-364 days	5.69	5.62	(7)
G-Sec 2Y	6.49	6.31	(19)
India OIS-2M	5.63	5.52	(12)
India OIS-9M	6.17	5.95	(22)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.66	3.65	(1)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	06-04-2026	07-04-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	4.0	4.0	0

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	02-04-2026	06-04-2026	change (US$ mn/Rs cr)
FII (US$ mn)	(1,573.4)	(1,152.6)	420.9
Debt	(557.5)	(224.5)	333.0
Equity	(1,016.0)	(928.1)	87.9
Mutual funds (Rs cr)	6,112.9	9,630.5	3,517.6
Debt	31.4	5,946.2	5,914.8
Equity	6,081.5	3,684.4	(2,397.1)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 1st & 2nd Apr 2026

- Oil prices slipped amidst announcement of 2-week ceasefire.

Table 7 – Commodities

	06-04-2026	07-04-2026	Change, %
Brent crude (US$/bbl)	109.8	109.3	(0.5)
Gold (US$/ Troy Ounce)	4,649.9	4,706.5	1.2
Copper (US$/ MT)	12,287.9	12,228.4	(0.5)
Zinc (US$/MT)	3,262.6	3,294.0	1.0
Aluminium (US$/MT)	3,469.5	3,476.0	0.2

Source: Bloomberg, Bank of Baroda Research

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