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Economist
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US labour market showed strength with non-farm payrolls increased by 165,000 in Oct'26 (est. 70,000), after rising by 60,000 in Sep'26. Unemployment rate edged down from 4.2% in Sep'26 to 4.1% in Oct'26. Separately, University of Michigan's consumer sentiment index for the US improved to 51 in Nov'26 from 48 in Oct'26. Inflation expectations for the 1Y and 5Y dipped to 4.3% (-40bps) and 3.4% (-10bps) respectively. Markets continue to expect US Fed to raise rates in Dec'26. This was also corroborated by New York Fed President, who stated that inflation remains too high and needs to be brought back to the 2% level. PPI inflation in China accelerated to 5.7% in Oct'26 from 5% in Sep'26, led by a sharp surge in manufacturing costs due to higher energy prices. On the other hand, CPI inflation moderated further to 0.7% in Oct'26 from 0.9% in Sep'26 as domestic demand remained weak.

- Global stocks continued to be impacted by mixed sentiments surrounding US mid-term election results. US stocks got some support from better-than-expected non-farm payrolls additions. Nikkei fell the most on account of portfolio rebalancing. Sensex inched up led by banking stocks. It is trading lower today, while Asian stocks are trading higher.

Table 1 – Stock markets

	05-11-2026	06-11-2026	Change, %
Dow Jones	51,523	51,286	(0.5)
S & P 500	7,354	7,377	0.3
FTSE	10,783	10,674	(1.0)
Nikkei	61,078	57,435	(6.0)
Hang Seng	24,797	24,482	(1.3)
Shanghai Comp	3,690	3,649	(1.1)
Sensex	79,310	81,028	2.2
Nifty	24,537	25,030	2.0

Source: Bloomberg, Bank of Baroda Research

- Except INR, other global currencies dipped against a resurgent dollar. DXY gained, supported by strong US jobs report. EUR depreciated as Eurozone retail sales declined in Sep'26. INR appreciated tracking a dip in global oil prices. It is trading further stronger today, in line with other Asian currencies.

Table 2 – Currencies

	05-11-2026	06-11-2026	Change, %
EUR/USD (1 EUR / USD)	1.1219	1.1143	(0.7)
GBP/USD (1 GBP / USD)	1.3450	1.3352	(0.7)
USD/JPY (JPY / 1 USD)	157.70	158.48	(0.5)
USD/INR (INR / 1 USD)	94.48	93.92	0.6
USD/CNY (CNY / 1 USD)	6.6680	6.6744	(0.1)
DXY Index	101.55	102.30	0.7

Source: Bloomberg, Bank of Baroda Research

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- Except Japan, global yields traded in a narrow range. Japan's 10Y yield fell sharply amidst safe-haven demand, notwithstanding BoJ Governor's comments on uncertainty over inflation following the targeted level. India's 10Y yield rose by 2bps tracking weekly auction results. It is trading marginally lower at 7.18% today.

Table 3 – Bond 10Y yield

	05-11-2026	06-11-2026	Change, bps
US	4.83	4.86	2
UK	5.13	5.15	2
Germany	3.24	3.25	1
Japan	2.79	2.65	(13)
China	1.60	1.59	(1)
India	7.17	7.19	2

Source: Bloomberg, Bank of Baroda Research:

Table 4 – Short term rates

	05-11-2026	06-11-2026	Change, bps
Tbill-91 days	5.80	5.72	(8)
Tbill-182 days	6.35	6.35	0
Tbill-364 days	6.49	6.50	1
G-Sec 2Y	7.00	6.87	(13)
India OIS-2M	5.85	5.84	(1)
India OIS-9M	6.30	6.24	(6)
SONIA int rate benchmark	3.73	3.98	25
US SOFR	3.94	3.92	(2)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	05-11-2026	06-11-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.0	2.0	0

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	04-11-2026	05-11-2026	change (US$ mn/Rs cr)
FII (US$ mn)	1,103.0	2,057.8	954.8
Debt	277.4	333.4	56.1
Equity	825.6	1,724.4	898.8
Mutual funds (Rs cr)	(7,123.9)	(6,764.9)	359.0
Debt	(5,178.6)	(4,542.9)	635.7
Equity	(1,945.3)	(2,221.9)	(276.7)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 03 Nov Oct and 04 Nov 2026

- Oil prices remained stable in the absence of any fresh cues regarding geopolitical developments, but are trading weaker today after US President ruled out fresh strikes on Iran.

Table 7 – Commodities

	05-11-2026	06-11-2026	Change, %
Brent crude (US$/bbl)	98.3	98.3	0
Gold (US$/ Troy Ounce)	4,088.0	4,070.8	(0.4)
Copper (US$/ MT)	13,940.1	13,962.6	0.2
Zinc (US$/MT)	3,815.0	3,736.4	(2.1)
Aluminium (US$/MT)	3,064.0	3,062.5	0

Source: Bloomberg, Bank of Baroda Research

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