

**MORNING MOCHA**

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ECONOMIST

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US jobless claims declined by 1k to 213k for the week ending 7 Mar from last week, signalling the labour market has remained steady. The continuing claims for the same period slipped by 21k to 1.85mn. Separately, US trade deficit narrowed down more than expected to US\$ 54.5bn in Jan'26 from US\$ 72.9bn in Dec'25 on the back of growing exports. The recent strikes by Iran on oil tankers, pushed crude oil prices higher and raised concerns of elevated inflation. US Fed will be meeting next week and is likely to maintain status quo on rates. The summary on economic projections and PCE data might offer some more cues. Separately, US treasury secretary said that US would temporarily remove sanctions on Russia, thereby allowing purchase of crude (30-day waiver) amidst the ongoing West Asia conflict.

- Global stocks indices closed lower and remained under pressure as investors' tracked rising crude prices and concerns of supply chain disruption. Amongst other indices, Dow Jones declined the most followed by S&P 500. In India, Sensex slipped further with deep losses in auto and FMCG stocks. It is trading lower today, in line with other Asian stocks.

**Table 1 – Stock markets**

	11-03-2026	12-03-2026	Change, %
Dow Jones	47,417	46,678	(1.6)
S & P 500	6,776	6,673	(1.5)
FTSE	10,354	10,305	(0.5)
Nikkei	55,025	54,453	(1.0)
Hang Seng	25,899	25,717	(0.7)
Shanghai Comp	4,133	4,129	(0.1)
Sensex	76,864	76,034	(1.1)
Nifty	23,867	23,639	(1.0)

Source: Bloomberg, Bank of Baroda Research

- Major global currencies depreciated further against the US\$. DXY rose, tracking steady labour market data and unexpected increase in multi-family housing starts. EUR and GBP were most hit. INR also fell, as oil prices remain near \$100/bbl mark. It is trading further lower today, in line with Asian currencies.

**Table 2 – Currencies**

	11-03-2026	12-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1567	1.1512	(0.5)
GBP/USD (1 GBP / USD)	1.3412	1.3343	(0.5)
USD/JPY (JPY / 1 USD)	158.95	159.35	(0.3)
USD/INR (INR / 1 USD)	92.04	92.20	(0.2)
USD/CNY (CNY / 1 USD)	6.8741	6.8808	(0.1)
DXY Index	99.23	99.74	0.5

Source: Bloomberg, Bank of Baroda Research



- Barring China (flat), 10Y yields inched up elsewhere. UK's 10Y bond yield rose the most (9bps), as majority of analysts now expect BoE to keep rates on hold in Mar'25, contrary to 65% expecting a rate cut in March earlier. Rate cut hopes from Fed have also dwindled, leading to 3bps rise in 10Y yield. India's 10Y yield rose by 3bps, given elevated oil prices. It is trading even higher today at 6.68%.

**Table 3 – Bond 10Y yield**

	11-03-2026	12-03-2026	Change, bps
US	4.23	4.26	3
UK	4.69	4.77	9
Germany	2.93	2.96	2
Japan	2.17	2.19	2
China	1.82	1.82	0
India	6.64	6.67	3

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	11-03-2026	12-03-2026	Change, bps
Tbill-91 days	5.31	5.30	(1)
Tbill-182 days	5.52	5.52	0
Tbill-364 days	5.64	5.61	(3)
G-Sec 2Y	5.81	5.83	2
India OIS-2M	5.38	5.41	3
India OIS-9M	5.62	5.62	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.64	3.64	0

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	11-03-2026	12-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.4	2.5	0.1

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	10-03-2026	11-03-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(846.6)	(752.3)	94.2
Debt	(248.9)	(109.2)	139.7
Equity	(597.7)	(643.1)	(45.4)
Mutual funds (Rs cr)	2,555.7	(4,369.1)	(6,924.9)
Debt	(5,793.5)	(9,110.2)	(3,316.7)
Equity	8,349.3	4,741.1	(3,608.2)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 9<sup>th</sup> & 10<sup>th</sup> Mar 2026

- Crude oil prices rose sharply as IEA expects weeks/months for oil production to reach pre-war levels in Middle East region.

**Table 7 – Commodities**

	11-03-2026	12-03-2026	Change, %
Brent crude (US\$/bbl)	92.0	100.5	9.2
Gold (US\$/ Troy Ounce)	5,176.5	5,079.2	(1.9)
Copper (US\$/ MT)	12,940.1	12,897.4	(0.3)
Zinc (US\$/MT)	3,267.7	3,256.9	(0.3)
Aluminium (US\$/MT)	3,457.0	3,516.5	1.7

Source: Bloomberg, Bank of Baroda Research



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