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ECONOMIST
Aditi Gupta

Global economic activity picked up pace, with the global composite PMI inching up to a 17-month high of 52.9 in Oct'25 from 52.5 in Sep'25. The increase was led by continued expansion in service sector activity in the US, UK and Euro Area. In the US, ISM services PMI rose to an 8-month high of 52.4 from 50.0 in Sep'25, led by a steady inflow of new orders. Separately, private payrolls in the US (ADP) rose more than expected by 42,000 in Oct'25 (est. 30,000), after declining by 29,000 in Sep'25. This suggests continued strength in US labour market conditions and has led markets to further reprice the possibility of a rate cut in Dec'25. US employment report due this week will be key in this regard. In the Euro Zone, manufacturing activity in both France and Germany is showing signs of recovery with a pickup in industrial production and factory orders respectively.

- US indices showed some momentum led by positive private payroll numbers as reflected in the ADP data. Nikkei dropped the most, amidst continued concerns surrounding AI and tracking subdued corporate earnings data. Sensex inched down, led by metal and power stocks. However, it is trading higher today, in line with other Asian stocks.

Table 1 – Stock markets

	04-11-2025	05-11-2025	Change, %
Dow Jones	47,085	47,311	0.5
S & P 500	6,772	6,796	0.4
FTSE	9,715	9,777	0.6
Nikkei	51,497	50,212	(2.5)
Hang Seng	25,952	25,935	(0.1)
Shanghai Comp	3,960	3,969	0.2
Sensex	83,978	83,459	(0.6)
Nifty	25,763	25,598	(0.6)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 5 Nov 2025

- Except JPY, other global currencies ended broadly stronger against the dollar. DXY was steady monitoring robust macro data. Despite hawkish minutes, JPY slipped and depreciated by 0.3%. GBP rose by 0.2% ahead of BoE meet. INR appreciated a tad. It is trading further stronger today, in line with its Asian peers.

Table 2 – Currencies

	04-11-2025	05-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1482	1.1492	0.1
GBP/USD (1 GBP / USD)	1.3021	1.3050	0.2
USD/JPY (JPY / 1 USD)	153.67	154.12	(0.3)
USD/INR (INR / 1 USD)	88.78	88.66	0.1
USD/CNY (CNY / 1 USD)	7.1295	7.1268	0
DXY Index	100.22	100.20	0

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 5 Nov 2025

- US 10Y yield rose considerably tracking upbeat private payroll data which dented the possibility of a rate cut in Dec'25. Similar impact was felt on 10Y yields of UK and Germany, where risk-on sentiments dominated. Japan's 10Y yield inched down a tad awaiting economic stimulus package from the new PM. India's 10Y field also fell a tad, and is currently trading at 6.52%.

Table 3 – Bond 10Y yield

	04-11-2025	05-11-2025	Change, bps
US	4.09	4.16	7
UK	4.43	4.46	4
Germany	2.65	2.67	2
Japan	1.67	1.66	(1)
China	1.80	1.80	0
India	6.53	6.53	(1)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 5 Nov 2025

Table 4 – Short term rates

	04-11-2025	05-11-2025	Change, bps
Tbill-91 days	5.44	5.43	(1)
Tbill-182 days	5.55	5.55	0
Tbill-364 days	5.56	5.56	0
G-Sec 2Y	5.80	5.78	(2)
India OIS-2M	5.50	5.50	0
India OIS-9M	5.47	5.47	0
SONIA int rate benchmark	3.97	3.97	0
US SOFR	4.13	4.00	(13)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 5 Nov 2025

Table 5 – Liquidity

Rs tn	03-11-2025	04-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.8	2.1	0.3

Source: RBI, Bank of Baroda Research | Note: Markets in India were closed on 5 Nov 2025

Table 6 – Capital market flows

	31-10-2025	03-11-2025	change (US$ mn/Rs cr)
FII (US$ mn)	(827.2)	(277.0)	550.2
Debt	27.9	(59.4)	(87.3)
Equity	(855.1)	(217.6)	637.5
Mutual funds (Rs cr)	2,332.2	(233.7)	(2,565.9)
Debt	352.1	(1,448.1)	(1,800.2)
Equity	1,980.1	1,214.4	(765.7)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 27 Oct and 30 Oct 2025

- Oil prices softened on concerns over weaker demand prospects from China.

Table 7 – Commodities

	04-11-2025	05-11-2025	Change, %
Brent crude (US$/bbl)	64.4	63.5	(1.4)
Gold (US$/ Troy Ounce)	3,932.1	3,979.6	1.2
Copper (US$/ MT)	10,633.1	10,659.1	0.2
Zinc (US$/MT)	3,227.3	3,141.2	(2.7)
Aluminium (US$/MT)	2,859.0	2,850.0	(0.3)

Source: Bloomberg, Bank of Baroda Research

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For further details about this publication, please contact:

Chief Economist
Bank of Baroda
chief.economist@bankofbaroda.com