MORNING MOCHA

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As per the revised data, Japan's economy rose at a much faster pace than estimated by 1.3% for Q4CY25, revised upwards from 0.2% and from 2.3% growth noted in Q3CY25. Capital spending was one of the biggest drivers of growth as it rose by 1.3% in Q4, highest growth since Dec'23. Additionally, another data noted that household spending slipped down 1% in Jan'26 raising some concerns for private consumption. Separately, as per the new survey, Britain's consumer spending rose at a slower pace, amidst fears of higher inflation due to the ongoing conflict. On Middle east conflict, there are some early signs of de-escalation that have been noted after recent comments by US President Trump, war could be 'over-soon'. With this, crude oil price which had surpassed US$ 110/bbl mark slipped back under the US$ 100 mark in the intraday swing.

- Barring US indices, other global stocks ended lower as investors monitored ongoing developments in the Middle East. As the crude oil prices surged higher, global indices tumbled, with Nikkei declining by 5.2%. In India, Sensex too slipped led by subdued global cues and losses noted in auto, banking and oil & gas stocks. However, it is trading higher today, in line with other Asian stocks.

Table 1 – Stock markets

	6-03-2026	9-03-2026	Change, %
Dow Jones	47,502	47,741	0.5
S & P 500	6,740	6,796	0.8
FTSE	10,285	10,250	(0.3)
Nikkei	55,621	52,729	(5.2)
Hang Seng	25,757	25,408	(1.4)
Shanghai Comp	4,124	4,097	(0.7)
Sensex	78,919	77,566	(1.7)
Nifty	24,450	24,028	(1.7)

Source: Bloomberg, Bank of Baroda Research

- DXY firmed up amidst safe haven demand. Among major currencies, EUR and GBP gained the most, tracking developments around the Middle East crisis. CNY closed flat ahead of its export data. INR weakened monitoring oil prices. It is trading lower today in line with other Asian currencies.

Table 2 – Currencies

	6-03-2026	9-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1618	1.1636	0.2
GBP/USD (1 GBP / USD)	1.3413	1.3437	0.2
USD/JPY (JPY / 1 USD)	157.78	157.67	0.1
USD/INR (INR / 1 USD)	91.75	92.33	(0.6)
USD/CNY (CNY / 1 USD)	6.9047	6.9070	0
DXY Index	98.99	99.18	0.2

Source: Bloomberg, Bank of Baroda Research

- Except US 10Y yield softened ahead of the CPI data. 10Y yields of major economies inched up as sentiments prevailed over the likely end to the ongoing geopolitical crisis. India's 10Y yield rose by 3bps watching movement of oil prices. It is trading lower at 6.68% today.

Table 3 – Bond 10Y yield

	6-03-2026	9-03-2026	Change, bps
US	4.14	4.10	(4)
UK	4.63	4.65	2
Germany	2.86	2.86	0
Japan	2.17	2.19	2
China	1.80	1.82	2
India	6.69	6.72	3

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	6-03-2026	9-03-2026	Change, bps
Tbill-91 days	5.30	5.34	4
Tbill-182 days	5.51	5.58	7
Tbill-364 days	5.60	5.65	5
G-Sec 2Y	5.66	5.81	15
India OIS-2M	5.36	5.42	6
India OIS-9M	5.51	5.72	21
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	6-03-2026	9-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.9	2.2	(0.7)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	5-03-2026	6-03-2026	change (US$ mn/Rs cr)
FII (US$ mn)	(403.4)	(888.5)	(485.1)
Debt	(29.1)	(196.0)	(166.9)
Equity	(374.4)	(692.5)	(318.1)
Mutual funds (Rs cr)	5,660.6	(3,833.8)	(9,494.4)
Debt	(3,622.4)	(6,583.8)	(2,961.4)
Equity	9,283.1	2,750.0	(6,533.1)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 4th & 5th Mar 2026

- Amidst the ongoing Middle East conflict, crude oil prices ticked higher.

Table 7 – Commodities

	6-03-2026	9-03-2026	Change, %
Brent crude (US$/bbl)	92.7	99.0	6.8
Gold (US$/ Troy Ounce)	5,171.7	5,138.5	(0.6)
Copper (US$/ MT)	12,817.1	12,886.8	0.5
Zinc (US$/MT)	3,272.2	3,300.3	0.9
Aluminium (US$/MT)	3,446.0	3,385.5	(1.8)

Source: Bloomberg, Bank of Baroda Research

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