

## MORNING MOCHA

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Global markets monitored political developments in the UK and cues from US-China meeting. On macro front, US datapoint showed impact of war-related crisis. Retail sales rose at a softer pace by 0.5%, MoM, in Apr'26, compared to 1.6% in Mar'26. Retail sales excluding auto also rose at a moderate pace of 0.7% compared to 1.9% earlier. Import price stiffened by 1.9%, MoM, in Apr'26 compared to 0.9% in Mar'26. Jobless claims for the week ending 9 May 2026 rose to 211K compared to previous week level of 199K. In UK, Q1 preliminary GDP data rose by 0.6%, supported by buoyant private consumption. In Japan, PPI rose at a faster pace by 2.3%, MoM. On domestic front, petrol and diesel prices have been hiked by Rs 3/lt, with immediate effect. There remains upside risk to fuel components of both WPI and CPI in the coming days.

- Except Japan and China, market elsewhere ended higher. Tech driven rally pushed US stocks higher. On the other hand, Nikkei dipped as a key BoJ member pushed for an early rate hike. Sensex rose by 1.1% as metal and power stocks surged. It is trading further higher today, while other Asian markets are trading mixed.

**Table 1 – Stock markets**

	13-05-2026	14-05-2026	Change, %
Dow Jones	49,693	50,063	0.7
S & P 500	7,444	7,501	0.8
FTSE	10,325	10,373	0.5
Nikkei	63,272	62,654	(1.0)
Hang Seng	26,388	26,389	0
Shanghai Comp	4,243	4,178	(1.5)
Sensex	74,609	75,399	1.1
Nifty	23,413	23,690	1.2

Source: Bloomberg, Bank of Baroda Research

- Except CNY, other global currencies depreciated. DXY rose tracking major macro data. GBP declined the most even as GDP growth surpassed estimates. INR touched another record low. It is trading further weaker today inching closer to the 96/\$ mark. Other Asian currencies are also trading lower.

**Table 2 – Currencies**

	13-05-2026	14-05-2026	Change, %
EUR/USD (1 EUR / USD)	1.1711	1.1669	(0.4)
GBP/USD (1 GBP / USD)	1.3523	1.3403	(0.9)
USD/JPY (JPY / 1 USD)	157.86	158.37	(0.3)
USD/INR (INR / 1 USD)	95.71	95.77	(0.1)
USD/CNY (CNY / 1 USD)	6.7906	6.7872	0.1
DXY Index	98.52	98.82	0.3

Source: Bloomberg, Bank of Baroda Research



- Global yields closed mixed. UK's 10Y yield softened albeit a stronger GDP print. Germany's 10Y yield inched down albeit ECB official hinting at rate hike in the next meeting. Japan's 10Y yield inched up ahead of the PPI data which showed stickiness. India's 10Y yield fell by 3bps. It is trading higher at 7.05% today, tracking news of hike in pump prices of petrol and diesel.

**Table 3 – Bond 10Y yield**

	13-05-2026	14-05-2026	Change, bps
US	4.47	4.48	1
UK	5.07	4.99	(7)
Germany	3.10	3.04	(6)
Japan	2.59	2.63	4
China	1.75	1.75	0
India	7.05	7.02	(3)

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	13-05-2026	14-05-2026	Change, bps
Tbill-91 days	5.32	5.37	5
Tbill-182 days	5.54	5.56	2
Tbill-364 days	5.74	5.76	2
G-Sec 2Y	6.16	6.24	8
India OIS-2M	5.45	5.44	(1)
India OIS-9M	5.88	5.89	1
SONIA int rate benchmark	3.73	3.73	(0)
US SOFR	3.60	3.59	(1)

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	13-05-2026	14-05-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.2	2.2	0

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	12-05-2026	13-05-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(49.1)	(380.6)	(331.5)
Debt	35.3	29.1	(6.2)
Equity	(84.4)	(409.7)	(325.3)
Mutual funds (Rs cr)	(188.1)	(1,407.7)	(1,219.6)
Debt	(5,931.2)	(5,808.9)	122.3
Equity	5,743.1	4,401.1	(1,341.9)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 8 May and 11 May 2026

- Oil prices were broadly steady monitoring US-China meeting.

**Table 7 – Commodities**

	12-05-2026	13-05-2026	Change, %
Brent crude (US\$/bbl)	105.6	105.7	0.1
Gold (US\$/ Troy Ounce)	4,688.8	4,652.0	(0.8)
Copper (US\$/ MT)	14,109.5	13,894.7	(1.5)
Zinc (US\$/MT)	3,509.4	3,566.2	1.6
Aluminium (US\$/MT)	3,652.5	3,657.5	0.1

Source: Bloomberg, Bank of Baroda Research



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