

MORNING MOCHA

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 ECONOMIST
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Initial jobless claims in the US fell by 4k to 226k (est.: 225k) as of week ending 13 Jun 2026 from 230k last week. However, continuing claims inched up by 9.8k to 1.79mn. Rise in short-end yields in the US indicate markets continue to expect a rate hike by Fed, as labour market remains tight. In the UK, BoE left policy rate steady at 3.75%. The statement also cautioned that “we expect (inflation) to go up again as the energy price rises have their knock-on effects”. Analysts now expect rate hike from BoE in Nov’26 (Jul’26 earlier). Domestically, net direct tax collections rose by 14.6% to Rs 5.2 lakh crore as of 17 Jun 2026, helped by advance tax payments. Both net corporate (22.5% to Rs 2.1 lakh crore) and net income tax collections (8.4% to Rs 2.9 lakh crore) rose. STT receipts also rose to Rs 0.2 lakh crore, indicating robust market activity following improved corporate results data for FY26.

- Global indices closed mixed. US indices inched up as investors monitored re-opening of the Strait of Hormuz and hawkish commentary by the new Fed Chair. Nikkei surpassed the 71,000 level for the first time, led by gains in AI/tech and chip related stocks. Sensex too edged up led by a rally in power and banking stocks. However, it is trading lower today in line with Asian indices.

Table 1 – Stock markets

	17-06-2026	18-06-2026	Change, %
Dow Jones	51,493	51,565	0.1
S & P 500	7,420	7,501	1.1
FTSE	10,509	10,400	(1.0)
Nikkei	69,902	71,053	1.6
Hang Seng	24,312	23,925	(1.6)
Shanghai Comp	4,108	4,090	(0.4)
Sensex	77,156	77,410	0.3
Nifty	24,086	24,168	0.3

Source: Bloomberg, Bank of Baroda Research

- Barring INR, other currencies traded lower. US\$ strengthened to 1-year high on rate hike expectations. GBP slid as BoE kept rates on hold. Separately, the unemployment rate declined in Apr’26 (4.9% from 5%). INR appreciated by 0.1%. It is trading stronger today, while Asian currencies are trading mixed.

Table 2 – Currencies

	17-06-2026	18-06-2026	Change, %
EUR/USD (1 EUR / USD)	1.1501	1.1458	(0.4)
GBP/USD (1 GBP / USD)	1.3293	1.3206	(0.7)
USD/JPY (JPY / 1 USD)	160.65	161.38	(0.5)
USD/INR (INR / 1 USD)	94.53	94.33	0.2
USD/CNY (CNY / 1 USD)	6.7607	6.7682	(0.1)
DXY Index	100.09	100.85	0.8

Source: Bloomberg, Bank of Baroda Research



- Global yields closed mixed. US 10Y yield fell by 3bps, despite strong labour market data. In the UK, 10Y yield rose by 1bps, even as BoE held rates unchanged. BoE expects inflation to go up in the coming months due to secondary effects of energy inflation. India's 10Y yield fell by 1bps, and is much lower today at 6.84%, tracking news of re-opening of the Strait of Hormuz.

Table 3 – Bond 10Y yield

	17-06-2026	18-06-2026	Change, bps
US	4.49	4.45	(3)
UK	4.75	4.76	1
Germany	2.93	2.93	0
Japan	2.60	2.62	2
China	1.73	1.73	0
India	6.88	6.87	(1)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	17-06-2026	18-06-2026	Change, bps
Tbill-91 days	5.25	5.22	(3)
Tbill-182 days	5.49	5.45	(4)
Tbill-364 days	5.77	5.73	(4)
G-Sec 2Y	6.05	6.08	3
India OIS-2M	5.36	5.39	3
India OIS-9M	5.69	5.71	2
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.63	3.63	0

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	17-06-2026	18-06-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0	0.2	0.2

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	16-06-2026	17-06-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	679.5	267.8	(411.8)
Debt	374.9	173.9	(201.0)
Equity	304.7	93.9	(210.8)
Mutual funds (Rs cr)	(2,812.0)	(1,286.7)	1,525.2
Debt	(3,981.5)	(941.9)	3,039.5
Equity	1,169.5	(344.8)	(1,514.3)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 15 and 16 Jun 2026

- Oil prices rose a tad, as investors analyse current stockpiles, which have reportedly been depleted during the war to critically low levels.

Table 7 – Commodities

	17-06-2026	18-06-2026	Change, %
Brent crude (US\$/bbl)	79.6	79.9	0.4
Gold (US\$/ Troy Ounce)	4,256.9	4,210.0	(1.1)
Copper (US\$/ MT)	13,763.5	13,624.2	(1.0)
Zinc (US\$/MT)	3,576.4	3,633.5	1.6
Aluminium (US\$/MT)	3,410.5	3,386.5	(0.7)

Source: Bloomberg, Bank of Baroda Research



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