

MORNING MOCHA

19 November 2024

ECONOMIST
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As economic calendar remains tepid so far, market participants are monitoring statements of central bank officials and appointments made by Trump administration for future guidance. Recent comments by Fed officials have signalled that the central bank maybe less-dovish in its statement in Dec'24. ECB officials have highlighted that risks to Eurozone growth from US tariffs will be significant. It may also lead to higher inflation, and in turn elevated rates for longer. BoJ Governor also stated that given the prevailing geo-political uncertainties, the timing of rate hike remains unclear. Tensions between Russia and Ukraine have escalated, as Biden administration has allowed Ukraine to use US military equipment to attack Russia. This reversal in policy is set to intensify the war and has sent oil prices on an upward trajectory. Markets now await CPI data of US and Europe to gauge inflation trends.

- Nikkei fell the most, buoyed by moderation in tech shares. A weaker Yen and muted macro data has weighed on sentiments. Hang Seng inched up followed by FTSE. Varied sentiments are playing ahead of incoming macro data and US President-elect selection of core officials, for policy cues. Sensex inched down led by oil & gas stocks. It is trading higher today, in line with other Asian indices.

Fig 1 – Stock markets

	15-11-2024	18-11-2024	Change, %
Dow Jones	43,445	43,390	(0.1)
S & P 500	5,871	5,894	0.4
FTSE	8,064	8,109	0.6
Nikkei	38,643	38,221	(1.1)
Hang Seng	19,426	19,577	0.8
Shanghai Comp	3,331	3,324	(0.2)
Sensex	77,580	77,339	(0.3)
Nifty	23,533	23,454	(0.3)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 15 Nov 2024

- Except EUR and GBP (stronger), other major currencies ended lower/flat. DXY fell by (-) 0.4%. European currencies rose the most. Risks of inflation inching up have significantly increased as Trump administrations prepares to impose tariffs. INR was flat. However, tracking jump in oil prices, it is trading a tad weaker today, in line with other Asian currencies.

Fig 2 – Currencies

	15-11-2024	18-11-2024	Change, %
EUR/USD (1 EUR / USD)	1.0540	1.0598	0.6
GBP/USD (1 GBP / USD)	1.2618	1.2678	0.5
USD/JPY (JPY / 1 USD)	154.30	154.66	(0.2)
USD/INR (INR / 1 USD)	84.41	84.40	0
USD/CNY (CNY / 1 USD)	7.2294	7.2320	0

Source: Bloomberg, Bank of Baroda | Note: Markets in India were closed on 15 Nov 2024



- US 10Y yield moderated with correction in US dollar. Some Fed officials are also scheduled to speak in the current week. UK's 10Y yield moderated following weaker reading of house price data. Germany's 10Y yield firmed up despite ECB Governing council member hinting at 25bps rate cut in its next meeting. India's 10Y fell a tad. It is trading higher at 6.85% today.

Fig 3 – Bond 10Y yield

	15-11-2024	18-11-2024	Change, bps
US	4.44	4.41	(3)
UK	4.47	4.47	(1)
Germany	2.36	2.37	2
Japan	1.07	1.08	1
China	2.07	2.10	3
India	6.86	6.86	(1)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 15 Nov 2024

Fig 4 – Short term rates

	14-11-2024	18-11-2024	change in bps
Tbill-91 days	6.44	6.45	1
Tbill-182 days	6.60	6.59	(1)
Tbill-364 days	6.62	6.59	(3)
G-Sec 2Y	6.73	6.72	(1)
India OIS-2M	6.62	6.63	1
India OIS-9M	6.59	6.58	(1)
SONIA int rate benchmark	4.70	4.70	0
US SOFR	4.58	4.57	(1)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 15 Nov 2024

Fig 5 – Liquidity

Rs tn	14-11-2024	18-11-2024	change (Rs tn)
Net Liquidity (-Surplus/+deficit)	(1.8)	(1.7)	0.1
Reverse Repo	0	0.1	0.1
Repo	0	0	0

Source: RBI, Bank of Baroda Research | Note: Markets in India were closed on 15 Nov 2024

Fig 6 – Capital market flows

	13-11-2024	14-11-2024	change (US\$ mn/Rs cr)
FII (US\$ mn)	(489.5)	(211.6)	277.9
Debt	(329.3)	(34.7)	294.6
Equity	(160.2)	(176.9)	(16.7)
Mutual funds (Rs cr)	2,044.7	(805.8)	(2,850.5)
Debt	775.8	(1,443.5)	(2,219.3)
Equity	1,268.9	637.7	(631.2)

Source: Bloomberg, Bank of Baroda Research, Note: MF data as of 8th and 11th Nov 2024 | Note: Markets in India were closed on 15 Nov 2024

- Oil prices jumped, due to escalating geo-political tensions and Sverdrup outage.

Fig 7 – Commodities

	15-11-2024	18-11-2024	% change
Brent crude (US\$/bbl)	71.0	73.3	3.2
Gold (US\$/ Troy Ounce)	2,563.3	2,611.8	1.9
Copper (US\$/ MT)	8,881.9	8,954.6	0.8
Zinc (US\$/MT)	2,964.1	2,956.9	(0.2)
Aluminium (US\$/MT)	2,649.5	2,607.5	(1.6)

Source: Bloomberg, Bank of Baroda Research



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