

**MORNING MOCHA**

22 June 2026

ECONOMIST

Aditi Gupta

Global markets remained on edge tracking developments surrounding US-Iran peace talks. Peace talks scheduled for Friday were postponed amidst increased tensions in Lebanon. However, with Israel and Hezbollah agreeing on a peace fire, talks between US and Iran resumed with both parties agreeing on a roadmap to finalise a deal within 60 days. This is likely to steer the direction of markets this week. Separately, retail sales in the UK rose by 1.2% in May'26 (est. 0.5%), following a decline of 1% in Apr'26. On the other hand, separate data showed a pickup in government borrowings in May'26. In India, minutes of the RBI's policy showed that MPC members discussed the growth and inflation outlook amidst heightened global uncertainty. Members agreed there is a need to be vigilant to the emerging risks. This week, investors are likely to focus on the developments in the Middle East, flash PMIs of major economies and also US CPI.

- Trading volumes remained thin as major equity indices were closed. Amongst major indices, FTSE inched up tracking positive retail sales data. Nikkei also inched up, as JPY remained broadly stable. Sensex slipped by 0.8%, tracking fall in tech stocks. It is trading higher today, in line with other Asian stocks.

**Table 1 – Stock markets**

	18-06-2026	19-06-2026	Change, %
Dow Jones	51,493	51,565	0.1
S & P 500	7,420	7,501	1.1
FTSE	10,400	10,363	(0.4)
Nikkei	71,053	71,250	0.3
Hang Seng	24,312	23,925	(1.6)
Shanghai Comp	4,108	4,090	(0.4)
Sensex	77,410	76,803	(0.8)
Nifty	24,168	24,013	(0.6)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in US, China and Hong Kong were closed on 19 Jun 2026

- Global currencies traded in narrow ranges as investors assessed the future of US-Iran peace deal. Amidst major currencies, GBP rose the most tracking an increase in retail sales. INR closed broadly steady despite an increase in oil prices. It is trading weaker today, in line with other Asian currencies.

**Table 2 – Currencies**

	18-06-2026	19-06-2026	Change, %
EUR/USD (1 EUR / USD)	1.1458	1.1471	0.1
GBP/USD (1 GBP / USD)	1.3206	1.3232	0.2
USD/JPY (JPY / 1 USD)	161.38	161.30	0
USD/INR (INR / 1 USD)	94.33	94.33	0
USD/CNY (CNY / 1 USD)	6.7607	6.7682	(0.1)
DXI Index	100.85	100.85	0

Source: Bloomberg, Bank of Baroda Research | Note: Markets in US and China were closed on 19 Jun 2026



- Global yields broadly closed higher. Investors remained cautious regarding the Fed fund rate trajectory which is likely to be higher. UK's 10Y rose the most as BoE policy tone had hawkish bias. Japan's 10Y yield inched up as BoJ policy members hinted at further rate hikes. India's 10Y yield rose a tad. However, it is trading lower at 6.85% today.

**Table 3 – Bond 10Y yield**

	18-06-2026	19-06-2026	Change, bps
US	4.49	4.45	(3)
UK	4.76	4.84	9
Germany	2.93	2.99	6
Japan	2.62	2.66	4
China	1.73	1.73	0
India	6.87	6.88	1

Source: Bloomberg, Bank of Baroda Research | Note: Markets in US and China were closed on 19 Jun 2026

**Table 4 – Short term rates**

	18-06-2026	19-06-2026	Change, bps
Tbill-91 days	5.22	5.24	2
Tbill-182 days	5.45	5.48	3
Tbill-364 days	5.73	5.76	3
G-Sec 2Y	6.08	6.05	(2)
India OIS-2M	5.39	5.39	0
India OIS-9M	5.71	5.72	1
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	18-06-2026	19-06-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.2	0.4	0.2

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	17-06-2026	18-06-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	267.8	(185.3)	(453.0)
Debt	173.9	6.4	(167.5)
Equity	93.9	(191.6)	(285.5)
Mutual funds (Rs cr)	(1,286.7)	(6,802.1)	(5,515.3)
Debt	(941.9)	(8,118.7)	(7,176.7)
Equity	(344.8)	1,316.6	1,661.4

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

- Oil prices rose by 0.9% as US-Iran postponed peace talks, but are trading lower today.

**Table 7 – Commodities**

	18-06-2026	19-06-2026	Change, %
Brent crude (US\$/bbl)	79.9	80.6	0.9
Gold (US\$/ Troy Ounce)	4,210.0	4,155.7	(1.3)
Copper (US\$/ MT)	13,624.2	13,526.6	(0.7)
Zinc (US\$/MT)	3,633.5	3,553.6	(2.2)
Aluminium (US\$/MT)	3,386.5	3,396.5	0.3

Source: Bloomberg, Bank of Baroda Research



## Disclaimer

The views expressed in this research note are personal views of the author(s) and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.

Visit us at



For further details about this publication, please contact:

**Chief Economist**

Bank of Baroda

[chief.economist@bankofbaroda.com](mailto:chief.economist@bankofbaroda.com)