

MORNING MOCHA

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Recently US Supreme Court ruled against the tariffs imposed by the government on other countries. The ruling was passed with a 6-3 majority and stated that only Congress has the power to levy tariffs. Following this, US President announced 15% standard tariff on all countries trading with the US, effective temporarily for 5 months after which it will need congressional approval. Further, data showed that US government shutdown impacted GDP growth in Q4. Advance estimates for US GDP in Q4CY25 came in at 1.4% (Annualised QoQ), down from consensus estimate of 2.8% and 4.4% growth registered in Q3. The drag came from slowdown in private consumption (2.4% in Q4 versus 3.5% in Q3) and contraction in government spending (-5.1% versus 2.2%). Separately, flash PMI indicates that manufacturing activity slowed in Feb'26 in US, while it picked up in India, Japan, UK and Eurozone.

- Global indices closed mixed. US indices recovered as investors monitored new developments around tariffs. Tech related stocks were the biggest gainers. Amongst other indices, Nikkei declined the most. Sensex rebounded with gains in power and capital good stocks. It is trading further higher today, in line with other Asian stocks.

Table 1 – Stock markets

	19-02-2026	20-02-2026	Change, %
Dow Jones	49,395	49,626	0.5
S & P 500	6,862	6,910	0.7
FTSE	10,627	10,687	0.6
Nikkei	57,468	56,826	(1.1)
Hang Seng	26,706	26,413	(1.1)
Shanghai Comp	4,134	4,082	(1.3)
Sensex	82,498	82,815	0.4
Nifty	25,454	25,571	0.5

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

- Global currencies ended mixed. DXY weakened by 0.1% tracking subdued data print (weakness in GDP data and higher than expected PCE estimate). INR depreciated amidst elevated oil prices. However, it is trading stronger today, in line with other Asian currencies.

Table 2 – Currencies

	19-02-2026	20-02-2026	Change, %
EUR/USD (1 EUR / USD)	1.1773	1.1784	0.1
GBP/USD (1 GBP / USD)	1.3465	1.3480	0.1
USD/JPY (JPY / 1 USD)	155.01	155.05	0
USD/INR (INR / 1 USD)	90.68	90.99	(0.3)
USD/CNY (CNY / 1 USD)	6.9017	6.9049	0
DXY Index	97.93	97.80	(0.1)

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



- Global 10Y yields closed mixed. US 10Y yield fell by 2bps, tracking US Supreme Court ruling on tariffs and weaker than expected GDP print and flash S&P manufacturing PMI. India's 10Y rose by 2bps, noting steadiness in oil prices. It is trading further higher today at 6.71%.

Table 3 – Bond 10Y yield

	19-02-2026	20-02-2026	Change, bps
US	4.08	4.07	(2)
UK	4.37	4.37	(1)
Germany	2.74	2.74	0
Japan	2.15	2.15	0
China	1.78	1.79	1
India	6.66	6.68	2

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

Table 4 – Short term rates

	18-02-2026	20-02-2026	Change, bps
Tbill-91 days	5.31	5.29	(2)
Tbill-182 days	5.53	5.50	(3)
Tbill-364 days	5.59	5.55	(4)
G-Sec 2Y	5.66	5.70	4
India OIS-2M	5.32	5.32	0
India OIS-9M	5.42	5.43	1
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.73	3.67	(6)

Source: Bloomberg, Bank of Baroda Research |Note: Markets in India were closed on 19 Feb 2026

Table 5 – Liquidity

Rs tn	18-02-2026	20-02-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.5	2.3	(0.2)

Source: RBI, Bank of Baroda Research |Note: Markets in India were closed on 19 Feb 2026

Table 6 – Capital market flows

	17-02-2026	18-02-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	289.8	284.5	(5.3)
Debt	111.3	72.3	(39.0)
Equity	178.5	212.2	33.7
Mutual funds (Rs cr)	(7,352.4)	(1,688.4)	5,664.0
Debt	(8,276.8)	(641.8)	7,635.0
Equity	924.4	(1,046.6)	(1,971.1)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 16 Feb & 17 Feb 2026

- Oil prices remain elevated as tensions between US and Iran persist.

Table 7 – Commodities

	19-02-2026	20-02-2026	Change, %
Brent crude (US\$/bbl)	71.7	71.8	0.1
Gold (US\$/ Troy Ounce)	4,996.1	5,107.5	2.2
Copper (US\$/ MT)	12,713.6	12,881.0	1.3
Zinc (US\$/MT)	3,311.2	3,351.2	1.2
Aluminium (US\$/MT)	3,067.5	3,102.5	1.1

Source: Bloomberg, Bank of Baroda Research



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