

**MORNING MOCHA**

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**ECONOMIST**  
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US GDP growth in Q3CY25 came in much higher (4.3%) than anticipated (3.2%). It was even up from 3.8% growth registered in Q2. The jump was supported by increase in private consumption, government spending (mainly defence) and private investment. In contrast indicators for Q4 signal growth losing steam. Durable goods orders fell by (-) 2.2% in Oct'25 following 0.7% rise in Sep'25. Core orders growth also slowed to 0.5% from 1.1%. In addition, Conference Board consumer sentiment index fell to 89.1 in Dec'25 from 92.9 in Nov'25 dragged by current business and labour market outlook index. Domestically, RBI has announced measures to manage liquidity conditions. These include OMO purchase of Rs 2 lakh crore in 4 equal tranches (Rs 50k crore each) until Jan-end; and FX buy/sell swap of US\$ 10bn (3Y tenor). These measures are expected to ease pressure on yields.

- Global indices closed mixed. US indices advanced after better-than-expected GDP print (4.3% in Q3) as it recorded fastest growth in over 2-years, supported by strong consumer spending. AI related stocks registered gains. FTSE inched up with gains in mining stocks led by surge in copper prices. Sensex ended flat. However, it is trading higher today in line with other Asian stocks.

**Table 1 – Stock markets**

	22-12-2025	23-12-2025	Change, %
Dow Jones	48,363	48,442	0.2
S & P 500	6,878	6,910	0.5
FTSE	9,866	9,889	0.2
Nikkei	50,402	50,413	0
Hang Seng	25,802	25,774	(0.1)
Shanghai Comp	3,917	3,920	0.1
Sensex	85,567	85,525	0
Nifty	26,172	26,177	0

Source: Bloomberg, Bank of Baroda Research

- Barring INR, other global currencies closed higher. DXY weakened as investors monitored mixed macro data prints. Yen firmed up amidst signals of possible intervention to support currency. INR is trading stronger today while other Asian currencies are trading mixed.

**Table 2 – Currencies**

	22-12-2025	23-12-2025	Change, %
EUR/USD (1 EUR / USD)	1.1762	1.1795	0.3
GBP/USD (1 GBP / USD)	1.3461	1.3518	0.4
USD/JPY (JPY / 1 USD)	157.05	156.23	0.5
USD/INR (INR / 1 USD)	89.65	89.66	0
USD/CNY (CNY / 1 USD)	7.0370	7.0296	0.1
DXY Index	98.29	97.94	(0.3)

Source: Bloomberg, Bank of Baroda Research



- Except US and China, other global 10Y yields ended lower. US 10Y yield ended flat noting major macro releases (GDP, consumer sentiment, industrial production). India's yield fell by 4bps, following global cues. It is trading further lower today at 6.57%, as RBI announced operations to support liquidity conditions (OMO purchase and FX buy/sell swap).

**Table 3 – Bond 10Y yield**

	22-12-2025	23-12-2025	Change, bps
US	4.16	4.16	0
UK	4.54	4.51	(3)
Germany	2.90	2.86	(3)
Japan	2.09	2.03	(5)
China	1.84	1.84	0
India	6.67	6.63	(4)

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

	22-12-2025	23-12-2025	Change, bps
Tbill-91 days	5.19	5.26	7
Tbill-182 days	5.35	5.43	8
Tbill-364 days	5.50	5.58	8
G-Sec 2Y	5.89	5.83	(6)
India OIS-2M	5.35	5.35	(1)
India OIS-9M	5.46	5.44	(2)
SONIA int rate benchmark	3.72	3.72	0
US SOFR	3.66	3.68	2

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

Rs tn	22-12-2025	23-12-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(0.5)	(0.6)	(0.1)

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

	19-12-2025	22-12-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	244.8	(159.3)	(404.0)
Debt	4.5	(180.2)	(184.7)
Equity	240.3	21.0	(219.3)
Mutual funds (Rs cr)	2,566.7	(431.2)	(2,997.8)
Debt	3,289.6	(1,226.9)	(4,516.6)
Equity	(723.0)	795.7	1,518.7

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 17 Dec and 18 Dec 2025

- Oil prices inched further up, tracking sustained economic momentum in the US.

**Table 7 – Commodities**

	22-12-2025	23-12-2025	Change, %
Brent crude (US\$/bbl)	62.1	62.4	0.5
Gold (US\$/ Troy Ounce)	4,443.6	4,484.5	0.9
Copper (US\$/ MT)	11,931.6	12,073.7	1.2
Zinc (US\$/MT)	3,051.6	3,064.4	0.4
Aluminium (US\$/MT)	2,941.5	2,939.0	(0.1)

Source: Bloomberg, Bank of Baroda Research



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