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ECONOMIST
Dipanwita Mazumdar

Global markets got a breather from resumption in traffic flows through the Strait of Hormuz. International oil prices declined by 4.3% in the last trading session and is trading further lower at US$ 72.5/bbl today. Global yields responded accordingly, with US 10Y yield falling by 10bps. US Treasury Secretary has further comforted that Fed Chair would balance both inflation and growth mandate. On macro front, US new home sales edged down to 580K (lowest level since beginning of CY26) against previous level of 626K, amidst elevated mortgage rates (~9-mnonth high) and inflationary concerns. In Germany, IFO Business climate inched up led by improved outlook for current assessment. On domestic front, 10Y yield got support from government's buyback announcement which signalled efficient debt management. Further downside risk persists with complete resolution of the war situation.

- Except S&P 500 and Nikkei, other global indices closed higher. Dow Jones rose as stocks of heavyweights stabilized. S&P500 declined further as stocks of AI related companies haven't recovered completely. Gains in Sensex were supported by real estate, banking and oil & gas stocks. It is trading further higher today, in line with other Asian stocks.

Table 1 – Stock markets

	23-06-2026	24-06-2026	Change, %
Dow Jones	51,667	51,849	0.4
S & P 500	7,365	7,358	(0.1)
FTSE	10,429	10,462	0.3
Nikkei	69,788	69,175	(0.9)
Hang Seng	23,336	23,412	0.3
Shanghai Comp	4,106	4,111	0.1
Sensex	76,201	76,991	1.0
Nifty	23,824	24,022	0.8

Source: Bloomberg, Bank of Baroda Research

- Barring INR, other currencies ended lower against the US$. DXY rose by 0.2%, as core PCE inflation is expected to come in higher for May'26, which in turn will keep Fed's rate hike bets elevated. INR rose by 0.1%, as oil prices fall to near pre-war levels. It is trading stronger today, in line with other Asian currencies.

Table 2 – Currencies

	23-06-2026	24-06-2026	Change, %
EUR/USD (1 EUR / USD)	1.1382	1.1358	(0.2)
GBP/USD (1 GBP / USD)	1.3204	1.3168	(0.3)
USD/JPY (JPY / 1 USD)	161.55	161.78	(0.1)
USD/INR (INR / 1 USD)	94.74	94.66	0.1
USD/CNY (CNY / 1 USD)	6.7924	6.8105	(0.3)
DXY Index	101.41	101.61	0.2

Source: Bloomberg, Bank of Baroda Research

- The major downward correction was seen in the 10Y yield of US, UK and Germany. The downward rally in oil prices amidst resumption in flows through the Strait of Hormuz has supported yields. Elsewhere, 10Y yield remained stable. India's 10Y yield also fell by 6bps supported by buyback announcement of government and taking global cues.

Table 3 – Bond 10Y yield

	23-06-2026	24-06-2026	Change, bps
US	4.50	4.39	(10)
UK	4.75	4.68	(7)
Germany	2.92	2.87	(5)
Japan	2.68	2.68	0
China	1.74	1.74	0
India	6.87	6.80	(6)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	23-06-2026	24-06-2026	Change, bps
Tbill-91 days	5.21	5.24	3
Tbill-182 days	5.42	5.44	2
Tbill-364 days	5.64	5.62	(2)
G-Sec 2Y	5.96	5.95	(1)
India OIS-2M	5.39	5.36	(3)
India OIS-9M	5.67	5.62	(5)
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.61	3.62	1

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	23-06-2026	24-06-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(0.1)	(0.1)	0

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	22-06-2026	23-06-2026	change (US$ mn/Rs cr)
FII (US$ mn)	221.4	149.7	(71.7)
Debt	186.2	119.0	(67.3)
Equity	35.2	30.7	(4.5)
Mutual funds (Rs cr)	(1,084.1)	(1,034.8)	49.3
Debt	891.3	(2,249.0)	(3,140.2)
Equity	(1,975.3)	1,214.2	3,189.5

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 19 and 22 Jun 2026

- Oil prices fell below US$ 75/bbl mark as news reports indicate improving shipping traffic through the Strait of Hormuz.

Table 7 – Commodities

	23-06-2026	24-06-2026	Change, %
Brent crude (US$/bbl)	77.1	73.7	(4.3)
Gold (US$/ Troy Ounce)	4,117.2	3,999.4	(2.9)
Copper (US$/ MT)	13,302.8	13,029.7	(2.1)
Zinc (US$/MT)	3,493.7	3,428.0	(1.9)
Aluminium (US$/MT)	3,232.5	3,122.5	(3.4)

Source: Bloomberg, Bank of Baroda Research

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For further details about this publication, please contact:

Chief Economist
Bank of Baroda
chief.economist@bankofbaroda.com