

MORNING MOCHA

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ECONOMIST

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In the US, jobless claims dropped lower than expected for the second week in a row to a seasonally adjusted 214,000 for the week ending 20 Dec. The 4-week moving average was down to 216,750 during the same period from 217,500 in the previous week. In Nov'25, the economy had added 64,000 jobs against a loss of 105k in Oct'25. The unemployment rate in Nov'25 inched up to a 4-year high of 4.6% (4.4% in Sep'25). Continued claims slipped marginally between Nov and Dec'25 period, but remained elevated. Thus, signalling slower pace of hiring but stable conditions. Fed had recently reduced benchmark rate and will closely track labour market and inflation data, before making any change in rate trajectory. On commodity front, prices of gold and silver took a breather amidst some profit booking even as gold surpassed the US\$ 4500/ounce mark in a session, before slipping down.

- Global indices closed mixed in a truncated week. US indices edged up in shortened session as it moved towards a record close. This comes ahead of the Santa Claus rally wherein the markets are expected to surge in last week. Investors also monitored lower than expected jobless claims. Sensex is trading lower today while other Asian stocks are trading mixed.

Table 1 – Stock markets

	23-12-2025	24-12-2025	Change, %
Dow Jones	48,442	48,731	0.6
S & P 500	6,910	6,932	0.3
FTSE	9,889	9,871	(0.2)
Nikkei	50,344	50,408	0.1
Hang Seng	25,774	25,819	0.2
Shanghai Comp	3,941	3,960	0.5
Sensex	85,525	85,409	(0.1)
Nifty	26,177	26,142	(0.1)

Source: Bloomberg, Bank of Baroda Research| Note: Except Japan and China, other financial markets were closed on 25.12.2025

- Global currencies traded in a narrow range ahead of the holiday trading week. DXY ended flat as buoyant growth data scaled back expectations of rate cut by Fed. GBP, JPY and CNY appreciated a tad. INR weakened by 0.1%. It is trading higher today. Asian currencies are trading mixed.

Table 2 – Currencies

	23-12-2025	24-12-2025	Change, %
EUR/USD (1 EUR / USD)	1.1779	1.1784	0
GBP/USD (1 GBP / USD)	1.3505	1.3521	0.1
USD/JPY (JPY / 1 USD)	155.93	155.83	0.1
USD/INR (INR / 1 USD)	89.66	89.78	(0.1)
USD/CNY (CNY / 1 USD)	7.0157	7.0057	0.1
DXY Index	97.94	97.98	0

Source: Bloomberg, Bank of Baroda Research Note: Except Japan and China, other financial markets were closed on 25.12.2025



- Except US and India, global yields remained broadly flat. In the US, risk off sentiments surrounding geopolitical tensions kept its 10Y yield lower. India's 10Y yield softened considerably as liquidity support by RBI continued to drive market sentiments. It is trading at the same level today.

Table 3 – Bond 10Y yield

	23-12-2025	24-12-2025	Change, bps
US	4.16	4.13	(3)
UK	4.51	4.51	0
Germany	2.86	2.86	0
Japan	2.05	2.05	0
China	1.84	1.84	0
India	6.63	6.54	(9)

Source: Bloomberg, Bank of Baroda Research| Note: Except Japan and China, other financial markets were closed on 25.12.2025

Table 4 – Short term rates

	23-12-2025	24-12-2025	Change, bps
Tbill-91 days	5.26	5.25	(1)
Tbill-182 days	5.43	5.47	4
Tbill-364 days	5.58	5.52	(6)
G-Sec 2Y	5.83	5.79	(4)
India OIS-2M	5.35	5.33	(1)
India OIS-9M	5.44	5.42	(2)
SONIA int rate benchmark	3.72	3.72	0
US SOFR	3.68	3.66	(2)

Source: Bloomberg, Bank of Baroda Research| Note: Except Japan and China, other financial markets were closed on 25.12.2025

Table 5 – Liquidity

Rs tn	23-12-2025	24-12-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(0.6)	(0.8)	(0.2)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	22-12-2025	23-12-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(159.3)	(266.4)	(107.2)
Debt	(180.2)	(116.4)	63.8
Equity	21.0	(150.0)	(171.0)
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 moderated weighing demand outlook.

Table 7 – Commodities

	23-12-2025	24-12-2025	Change, %
Brent crude (US\$/bbl)	62.4	62.2	(0.2)
Gold (US\$/ Troy Ounce)	4,484.5	4,479.4	(0.1)
Copper (US\$/ MT)	12,073.7	12,182.2	0.9
Zinc (US\$/MT)	3,064.4	3,062.2	(0.1)
Aluminium (US\$/MT)	2,939.0	2,960.5	0.7

Source: Bloomberg, Bank of Baroda Research | Note: Markets were closed on 25.12.2025



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