

**MORNING MOCHA**

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 ECONOMIST  
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US initial jobless claims data for week ending 21 Feb 2026 rose by less than estimated (215k) to 212k from 208k last week. Continuing claims (4-week moving average) for week ending 14 Feb also remained broadly steady at 1.85mn versus 1.84mn in the previous week. Investors now await the release of PPI data which is expected to show inflation slowing to 0.3% in Jan'25 from 0.5% in Dec'25.

Separately in Asia. Japan's retail sales surprised on the upside with 4% MoM growth in Jan'26 (est.: 1.5%), up from (-) 2% in Dec'25. In India, SEBI has announced some key changes for the mutual fund industry including, introduction of newer fund categories such as life-cycle funds and sectoral debt funds; allowing AMC's to offer both contra and value MFs; allowing AMC's to invest upto 35% in gold/silver/ETFs under equity related schemes. Analysts also await the release of new base GDP numbers today. We expect growth to range between 7.4-7.6% for FY26.

- Global indices closed mixed. S&P 500 slipped due to losses in tech related stocks. Nikkei advanced further with the focus shifting towards BoJ and the nomination of 2 members to the Board who have a dovish tilt. Sensex ended flat. It is trading lower while other Asian indices are trading mixed.

**Table 1 – Stock markets**

|               | 25-02-2026 | 26-02-2026 | Change, % |
|---------------|------------|------------|-----------|
| Dow Jones     | 49,482     | 49,499     | 0         |
| S & P 500     | 6,946      | 6,909      | (0.5)     |
| FTSE          | 10,806     | 10,847     | 0.4       |
| Nikkei        | 58,583     | 58,753     | 0.3       |
| Hang Seng     | 26,766     | 26,381     | (1.4)     |
| Shanghai Comp | 4,147      | 4,147      | 0         |
| Sensex        | 82,276     | 82,249     | 0         |
| Nifty         | 25,483     | 25,497     | 0.1       |

Source: Bloomberg, Bank of Baroda Research

- Global currencies closed mixed. The dollar index strengthened tracking labour market data. GBP fell amidst political risks and growing possibility of a rate cut in the Mar'26 meet, which will act as headwind. INR remained stable. However, it is trading weaker today while other Asian currencies are trading mixed.

**Table 2 – Currencies**

|                       | 25-02-2026 | 26-02-2026 | Change, % |
|-----------------------|------------|------------|-----------|
| EUR/USD (1 EUR / USD) | 1.1810     | 1.1797     | (0.1)     |
| GBP/USD (1 GBP / USD) | 1.3559     | 1.3482     | (0.6)     |
| USD/JPY (JPY / 1 USD) | 156.37     | 156.13     | 0.2       |
| USD/INR (INR / 1 USD) | 90.96      | 90.92      | 0         |
| USD/CNY (CNY / 1 USD) | 6.8612     | 6.8475     | 0.2       |
| DXI Index             | 97.70      | 97.79      | 0.1       |

Source: Bloomberg, Bank of Baroda Research



- Global 10Y yields closed lower in advanced economies, while rose in emerging markets. US 10Y yield fell the most by 5bps, supported by robust demand for gilts. Also, investors await PPI data, which may indicate slowdown in wholesale inflation. India's 10Y rose by 2bps, ahead of weekly RBI auction today. It is trading further higher today at 6.70% today.

**Table 3 – Bond 10Y yield**

|         | 25-02-2026 | 26-02-2026 | Change, bps |
|---------|------------|------------|-------------|
| US      | 4.05       | 4.00       | (5)         |
| UK      | 4.32       | 4.27       | (4)         |
| Germany | 2.71       | 2.69       | (2)         |
| Japan   | 2.14       | 2.16       | 2           |
| China   | 1.81       | 1.82       | 1           |
| India   | 6.68       | 6.69       | 2           |

Source: Bloomberg, Bank of Baroda Research

**Table 4 – Short term rates**

|                          | 25-02-2026 | 26-02-2026 | Change, bps |
|--------------------------|------------|------------|-------------|
| Tbill-91 days            | 5.28       | 5.27       | (1)         |
| Tbill-182 days           | 5.50       | 5.46       | (4)         |
| Tbill-364 days           | 5.58       | 5.55       | (3)         |
| G-Sec 2Y                 | 5.70       | 5.62       | (8)         |
| India OIS-2M             | 5.31       | 5.32       | 1           |
| India OIS-9M             | 5.42       | 5.42       | 0           |
| SONIA int rate benchmark | 3.73       | 3.73       | 0           |
| US SOFR                  | 3.67       | 3.67       | 0           |

Source: Bloomberg, Bank of Baroda Research

**Table 5 – Liquidity**

| Rs tn                             | 25-02-2026 | 26-02-2026 | Change (Rs tn) |
|-----------------------------------|------------|------------|----------------|
| Net Liquidity (-deficit/+surplus) | 2.3        | 2.1        | (0.2)          |

Source: RBI, Bank of Baroda Research

**Table 6 – Capital market flows**

|                      | 24-02-2026 | 25-02-2026 | change (US\$ mn/Rs cr) |
|----------------------|------------|------------|------------------------|
| FII (US\$ mn)        | 471.5      | 246.7      | (224.9)                |
| Debt                 | 154.1      | 126.5      | (27.6)                 |
| Equity               | 317.4      | 120.1      | (197.3)                |
| Mutual funds (Rs cr) | (1,688.4)  | (2,821.0)  | (1,132.6)              |
| Debt                 | (641.8))   | (2,713.9)  | (2,072.1)              |
| Equity               | (1,046.6)  | (107.2)    | 939.5                  |

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 17 Feb &amp; 18 Feb 2026

- Oil prices edge lower, as investors monitor indirect talks between US and Iran.

**Table 7 – Commodities**

|                         | 25-02-2026 | 26-02-2026 | Change, % |
|-------------------------|------------|------------|-----------|
| Brent crude (US\$/bbl)  | 70.9       | 70.8       | (0.1)     |
| Gold (US\$/ Troy Ounce) | 5,164.8    | 5,185.0    | 0.4       |
| Copper (US\$/ MT)       | 13,246.0   | 13,235.0   | (0.1)     |
| Zinc (US\$/MT)          | 3,358.9    | 3,361.5    | 0.1       |
| Aluminium (US\$/MT)     | 3,170.5    | 3,157.5    | (0.4)     |

Source: Bloomberg, Bank of Baroda Research



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