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US Conference Board consumer confidence index dipped to 84.5 in Jan'26-to a more than 11 year low. Consumers remained wary of higher prices and a slowdown in labour market conditions. Separately, US President's comments on the value of dollar, hinted that the US administration might be tolerant of a weaker domestic currency. It must be noted that the dollar has slumped by over 2% in 2026, after falling by over 9% in 2025. Focus now remains on the Fed's policy decision due today. In Australia, CPI inflation inched up to 3.6% in Q4 2025 from 3.2% in Q3, raising expectations of a rate hike from the RBA next week. In India, market sentiments were upbeat as India concluded a historic trade deal with the EU. Under this, about 99% of Indian exports are expected to gain preferential entry into the EU. This will open up opportunities for MSMEs and create jobs for women, artisans etc.,.

- Except Dow Jones, other global stocks ended higher. Hang Seng rose the most, followed by Nikkei. Equity markets were supported by a softer dollar ahead of Fed policy. Dow Jones moderated awaiting financial results of major technology companies. Sensex was supported by India-EU trade pact. It is trading higher today, while Asian stocks are trading mixed.

Table 1 – Stock markets

	26-01-2026	27-01-2026	Change, %
Dow Jones	49,412	49,003	(0.8)
S & P 500	6,950	6,979	0.4
FTSE	10,149	10,208	0.6
Nikkei	52,885	53,334	0.8
Hang Seng	26,766	27,127	1.4
Shanghai Comp	4,133	4,140	0.2
Sensex	81,538	81,857	0.4
Nifty	25,049	25,175	0.5

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 26 Jan 2026

- Except CNY, other global currencies rallied against a weaker dollar. DXY declined to a near 4-year low as US President termed the value of the dollar as "great". EUR, GBP and JPY gained over 1% each. INR too appreciated tracking positive global cues. It is trading further stronger today, in line with Asian peers.

Table 2 – Currencies

	26-01-2026	27-01-2026	Change, %
EUR/USD (1 EUR / USD)	1.1880	1.2041	1.4
GBP/USD (1 GBP / USD)	1.3680	1.3849	1.2
USD/JPY (JPY / 1 USD)	154.18	152.21	1.3
USD/INR (INR / 1 USD)	91.96	91.72	0.3
USD/CNY (CNY / 1 USD)	6.9542	6.9546	0
DXY Index	97.04	96.22	(0.8)

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 26 Jan 2026



- Global yields closed higher. Japan's 10Y yield rose significantly ahead of the 40-year bond auction. 10Y yields in US and UK firmed up by 3bps each, tracking major macro data releases. In India, 10Y yield rose to its highest since 4 Mar 2025 amidst concerns of excess supply ahead of the Budget. It is trading lower at 6.69% today.

Table 3 – Bond 10Y yield

	26-01-2026	27-01-2026	Change, bps
US	4.21	4.24	3
UK	4.50	4.53	3
Germany	2.87	2.88	1
Japan	2.24	2.29	5
China	1.82	1.83	1
India	6.66	6.72	6

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 26 Jan 2026

Table 4 – Short term rates

	26-01-2026	27-01-2026	Change, bps
Tbill-91 days	5.46	5.47	1
Tbill-182 days	5.61	5.54	(7)
Tbill-364 days	5.67	5.70	3
G-Sec 2Y	5.86	5.85	(1)
India OIS-2M	5.40	5.38	(2)
India OIS-9M	5.54	5.54	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.65	3.66	1

Source: Bloomberg, Bank of Baroda Research | Note: Markets in India were closed on 26 Jan 2026

Table 5 – Liquidity

Rs tn	23-01-2026	27-01-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.6	0.8	0.2

Source: RBI, Bank of Baroda Research | Note: Markets in India were closed on 26 Jan 2026

Table 6 – Capital market flows

	22-01-2026	23-01-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	(68.3)	(312.0)	(243.6)
Debt	178.9	38.7	(140.2)
Equity	(247.2)	(350.7)	(103.5)
Mutual funds (Rs cr)	(1,794.0)	(2,021.1)	(227.2)
Debt	(5,232.3)	(5,198.9)	33.4
Equity	3,438.4	3,177.8	(260.6)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 21 Jan and 22 Jan 2026. Markets in India were closed on 26 Jan 2026

- Oil prices inched up as winter storm in the US disrupted supplies.

Table 7 – Commodities

	26-01-2026	27-01-2026	Change, %
Brent crude (US\$/bbl)	65.6	67.6	3.0
Gold (US\$/ Troy Ounce)	5,008.7	5,180.2	3.4
Copper (US\$/ MT)	13,127.9	12,912.7	(1.6)
Zinc (US\$/MT)	3,316.1	3,320.2	0.1
Aluminium (US\$/MT)	3,188.5	3,207.0	0.6

Source: Bloomberg, Bank of Baroda Research



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