

MORNING MOCHA

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ECONOMIST
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US Fed's Beige Book signals that economic conditions continue to remain subdued so far. It noted that nearly half the 12 districts surveyed reported weakness in labour market and declining consumer spending. This report has further reinforced hopes that the central bank will be lowering rates by 25bps in its next meeting (~85% chance as per CME FedWatchTool). Separately in the UK, investors continue to digest announcements made in the Autumn Budget. The DMO has revised the government borrowing program by £4.6bn to £303.7bn—second highest on record. Maturity bucket shows shift towards short- and medium-term securities and away from long dated papers. In China, Industrial profits rose by 1.9% in Oct'25 (CYTD basis) slowing from 3.2% rise in Sep'25, dragged decline in profits seen in mining and manufacturing sector, amidst ongoing trade tensions with the US.

- Barring FTSE and Nifty, other global indices closed higher as investors priced in rate cut possibility by Fed. Post the announcement of highly anticipated budget by UK's finance minister, FTSE closed flat. Sensex inched up with marginal gains in banking stocks. It is trading higher today ahead of the release of Q2GDP print, while Asian stocks are trading mixed.

Table 1 – Stock markets

	26-11-2025	27-11-2025	Change, %
Dow Jones	47,112	47,427	0.7
S & P 500	6,766	6,813	0.7
FTSE	9,692	9,694	0
Nikkei	49,559	50,167	1.2
Hang Seng	25,928	25,946	0.1
Shanghai Comp	3,864	3,875	0.3
Sensex	85,610	85,720	0.1
Nifty	26,205	26,216	0

Source: Bloomberg, Bank of Baroda Research| Note: Markets in the US were closed on 27 Nov 2025

- Global currencies closed flat. DXY remained under pressure amidst dovish signals and weaker macro data (Fed Beige Book). Yen strengthened as investors closely monitored a possible intervention. INR ended up flat. It is trading weaker today while other currencies are trading mixed.

Table 2 – Currencies

	26-11-2025	27-11-2025	Change, %
EUR/USD (1 EUR / USD)	1.1595	1.1596	0
GBP/USD (1 GBP / USD)	1.3241	1.3240	0
USD/JPY (JPY / 1 USD)	156.47	156.31	0.1
USD/INR (INR / 1 USD)	89.27	89.31	0
USD/CNY (CNY / 1 USD)	7.0761	7.0795	0
DXY Index	99.60	99.54	(0.1)

Source: Bloomberg, Bank of Baroda Research| Note: Markets in the US were closed on 27 Nov 2025



- Except Japan (lower) and US (closed), other global 10Y yields inched up. Yields in the UK rose the most as investors noted upward revision to government's borrowing program for 2025/26. Yield in Japan was impacted by less hawkish tone of a BoJ Board member. India's 10Y yield rose by 1bps, tracking rise in oil prices. The 06.33 GS 2035 yield is trading at 6.51% today.

Table 3 – Bond 10Y yield

	26-11-2025	27-11-2025	Change, bps
US	4.00	3.99	0
UK	4.42	4.45	3
Germany	2.67	2.68	1
Japan	1.81	1.80	(1)
China	1.84	1.85	1
India	6.45	6.46	1

Source: Bloomberg, Bank of Baroda Research| Note: Markets in the US were closed on 27 Nov 2025

Table 4 – Short term rates

	26-11-2025	27-11-2025	Change, bps
Tbill-91 days	5.35	5.34	(1)
Tbill-182 days	5.51	5.50	(1)
Tbill-364 days	5.52	5.52	0
G-Sec 2Y	5.77	5.78	1
India OIS-2M	5.40	5.40	0
India OIS-9M	5.40	5.41	0
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.96	4.01	5

Source: Bloomberg, Bank of Baroda Research| Note: Markets in the US were closed on 27 Nov 2025

Table 5 – Liquidity

Rs tn	26-11-2025	27-11-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.1	1.3	0.2

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	25-11-2025	26-11-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(60.0)	664.7	724.7
Debt	(169.2)	102.3	271.5
Equity	109.2	562.4	453.2
Mutual funds (Rs cr)	1,771.8	(9,228.5)	(11,000.3)
Debt	(964.3)	(7,183.9)	(6,219.6)
Equity	2,736.1	(2,044.7)	(4,780.7)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 24 and 25 Nov 2025

- Oil prices rose, amidst hopes of OPEC+ leaving output unchanged in Q1CY26.

Table 7 – Commodities

	26-11-2025	27-11-2025	Change, %
Brent crude (US\$/bbl)	63.1	63.3	0.3
Gold (US\$/ Troy Ounce)	4,162.2	4,157.6	(0.1)
Copper (US\$/ MT)	10,983.8	10,956.1	(0.3)
Zinc (US\$/MT)	3,219.9	3,180.4	(1.2)
Aluminium (US\$/MT)	2,861.0	2,828.5	(1.1)

Source: Bloomberg, Bank of Baroda Research



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