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ECONOMIST
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The fresh round of development over the weekend includes reports of Iran's strikes on Middle Eastern aluminium plants. This has led international crude price trading at its highest since Jun'22 at US$ 115/bbl, in today's session. All metal prices have firmed up in today's session (Copper is trading higher by 0.4%, Zinc by 1.7% and Aluminium by 0.8%). Gold price is capped by a firm DXY. Among major macro releases, has been the U. of Michigan sentiment index which softened, inflation expectation (1-Yr) also firmed up. In UK, GfK consumer confidence also edged down, retail sales of the region showed sequential decline. On domestic front, H1FY27 centre's borrowing is pegged at Rs 8.2 lakh crore. In another development, RBI has capped the net open positions of banks, in a measure to curb the volatility in currency. This has led INR to trade stronger by ~0.9%, in today's session.

- Except China and Hong Kong, stocks elsewhere declined. Investors continued to monitor developments in West Asia even as oil prices traded near a ~4-year high. US indices declined amidst losses in megacaps and software stocks. Sensex fell by 2.2% as real estate and auto stocks declined sharply. It is trading further weaker today, in line with other Asian stocks.

Table 1 – Stock markets

	26-03-2026	27-03-2026	Change, %
Dow Jones	45,960	45,167	(1.7)
S & P 500	6,477	6,369	(1.7)
FTSE	9,972	9,967	(0.0)
Nikkei	53,604	53,373	(0.4)
Hang Seng	24,856	24,952	0.4
Shanghai Comp	3,889	3,914	0.6
Sensex	75,273	73,583	(2.2)
Nifty	23,306	22,820	(2.1)

Source: Bloomberg, Bank of Baroda Research

- Except CNY, other currencies ended weaker against the dollar. DXY rose supported by safe-haven demand as the conflict in West Asia spread further. INR depreciated sharply by 0.9% to close at a record low. However, it is trading stronger today, after RBI intervention. Asian currencies are trading weaker.

Table 2 – Currencies

	26-03-2026	27-03-2026	Change, %
EUR/USD (1 EUR / USD)	1.1527	1.1509	(0.2)
GBP/USD (1 GBP / USD)	1.3330	1.3259	(0.5)
USD/JPY (JPY / 1 USD)	159.81	160.31	(0.3)
USD/INR (INR / 1 USD)	93.97	94.82	(0.9)
USD/CNY (CNY / 1 USD)	6.9140	6.9112	0
DXY Index	99.90	100.15	0.3

Source: Bloomberg, Bank of Baroda Research

- Japan's 10Y yield showed the sharpest upward correction tracking Yen movement. The government also showed concerns of a falling yen and nudged for a stronger currency. Other global 10Y yields traded thinly. India's 10Y yield jumped up by 7bps ahead of the borrowing calendar. It is trading at the same level today.

Table 3 – Bond 10Y yield

	26-03-2026	27-03-2026	Change, bps
US	4.41	4.43	2
UK	4.97	4.97	0
Germany	3.07	3.09	2
Japan	2.28	2.39	11
China	1.82	1.82	0
India	6.88	6.94	7

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	26-03-2026	27-03-2026	Change, bps
Tbill-91 days	5.37	5.43	6
Tbill-182 days	5.43	5.54	11
Tbill-364 days	5.63	5.65	2
G-Sec 2Y	6.25	6.34	9
India OIS-2M	5.47	5.53	6
India OIS-9M	5.77	5.89	12
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.64	3.65	1

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	26-03-2026	27-03-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.4	1.1	0.7

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	24-03-2026	25-03-2026	change (US$ mn/Rs cr)
FII (US$ mn)	(856.5)	(214.5)	642.0
Debt	(87.9)	(47.9)	40.0
Equity	(768.6)	(166.6)	602.0
Mutual funds (Rs cr)	3,580.9	(145.8)	(3,726.7)
Debt	(7.9)	(4,444.4)	(4,436.4)
Equity	3,588.8	4,298.6	709.8

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 19 & 20th Mar 2026

- Oil prices climbed further as investors braced for a prolonged war in West Asia.

Table 7 – Commodities

	26-03-2026	27-03-2026	Change, %
Brent crude (US$/bbl)	108.0	112.6	4.2
Gold (US$/ Troy Ounce)	4,376.1	4,494.1	2.7
Copper (US$/ MT)	12,076.8	12,124.1	0.4
Zinc (US$/MT)	3,065.4	3,116.7	1.7
Aluminium (US$/MT)	3,269.5	3,296.0	0.8

Source: Bloomberg, Bank of Baroda Research

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