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In US, private sector employment (ADP) report noted companies lost over 32,000 jobs, much higher than expected. Thereby raising concerns of weakness in labour market. Separately, Oil prices slid by 2% (lowest in 4-months) due to concerns of oversupply and ahead of the OPEC+ meet. In India, MPC maintained status quo on rate and stance but revised its growth (6.8%) and inflation projection (2.6%) for FY26. The slew of reforms announced in the policy for the banking sector is expected to propel credit growth. These included, applying the ECL framework, new risk based deposit insurance premium, along with easing down regulation norms related to investment. Separately, Cabinet has approved a range of schemes, these include 6-year central scheme with aim to improve self sufficiency in pulses production, with the outlay of Rs 11,440cr. Additionally MSP for rabi crops for the upcoming marketing season has been announced, with MSP for wheat (6.6%), barley (8.6%) and gram (3.9%) higher than last year.

- Except FTSE, other global indices closed higher. US stocks rose as investors shrugged off the any concerns related to government shutdown. Sensex closed higher with gains in banking and real estate stocks. However, it is trading lower today while Asian indices are trading mixed.

Table 1 – Stock markets

	01-10-2025	02-10-2025	Change, %
Dow Jones	46,441	46,520	0.2
S & P 500	6,711	6,715	0.1
FTSE	9,446	9,428	(0.2)
Nikkei	44,551	44,937	0.9
Hang Seng	26,856	27,287	1.6
Shanghai Comp	3,863	3,883	0.5
Sensex	80,268	80,983	0.9
Nifty	24,611	24,836	0.9

Source: Bloomberg, Bank of Baroda Research| Note: Indian market was closed on 02-10-2025, Chinese market was closed on 01-10-2025

- Barring INR and CNY, global currencies fell. DXY rose by 0.1% as labour market continues to show signs of weakness. GBP fell the most as fiscal woes resurface. INR rose, but is trading lower today, in line with Asian currencies.

Table 2 – Currencies

	01-10-2025	02-10-2025	Change, %
EUR/USD (1 EUR / USD)	1.1732	1.1715	(0.1)
GBP/USD (1 GBP / USD)	1.3478	1.3440	(0.3)
USD/JPY (JPY / 1 USD)	147.07	147.26	(0.1)
USD/INR (INR / 1 USD)	88.79	88.69	0.1
USD/CNY (CNY / 1 USD)	7.1224	7.1224	0
DXY Index	97.71	97.85	0.1

Source: Bloomberg, Bank of Baroda Research| Note: Indian market was closed on 02-10-2025, Chinese market was closed on 01-10-2025



- Except UK and Japan (higher), other global 10Y yields closed lower. US 10Y was down by 2bps as investors gauge the longevity and the impact of government shutdown. Private data shows hiring has fallen to lowest since 2009. India's 10Y yield fell sharply by 6bps, tracking dovish commentary by RBI. Following global cues, it is trading further lower today at 6.51%.

Table 3 – Bond 10Y yield

	01-10-2025	02-10-2025	Change, bps
US	4.10	4.08	(2)
UK	4.70	4.71	1
Germany	2.71	2.70	(1)
Japan	1.65	1.66	1
China	1.90	1.87	(3)
India	6.58	6.52	(6)

Source: Bloomberg, Bank of Baroda Research| Note: Indian market was closed on 02-10-2025, Chinese market was closed on 01-10-2025

Table 4 – Short term rates

	01-10-2025	01-10-2025	Change, bps
Tbill-91 days	5.40	5.48	8
Tbill-182 days	5.51	5.57	6
Tbill-364 days	5.56	5.58	2
G-Sec 2Y	5.77	5.76	(2)
India OIS-2M	5.49	5.49	0
India OIS-9M	5.42	5.42	0
SONIA int rate benchmark	3.97	3.97	0
US SOFR	4.24	4.20	(4)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	01-10-2025	02-10-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	0.8	1.7	0.9

Source: RBI, Bank of Baroda Research,

Table 6 – Capital market flows

	29-09-2025	30-09-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(121.1)	(278.8)	(157.7)
Debt	31.6	174.7	143.1
Equity	(152.7)	(453.4)	(300.8)
Mutual funds (Rs cr)	5,458.3	1,406.4	(4,051.8)
Debt	129.4	(1,813.9)	(1,943.3)
Equity	5,328.8	3,220.3	(2,108.5)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 26 Sep and 29 Sep 2025

- Oil prices fell by ~2% amidst supply concerns and easing geopolitical tensions.

Table 7 – Commodities

	01-10-2025	02-10-2025	Change, %
Brent crude (US\$/bbl)	65.4	64.1	(1.9)
Gold (US\$/ Troy Ounce)	3,865.7	3,856.6	(0.2)
Copper (US\$/ MT)	10,338.2	10,456.4	1.1
Zinc (US\$/MT)	3,058.4	3,095.9	1.2
Aluminium (US\$/MT)	2,688.5	2,692.5	0.1

Source: Bloomberg, Bank of Baroda Research



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