

MORNING MOCHA

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ECONOMIST

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In China, trade surplus rose to US\$ 111.7 bn in Nov'25 much higher than anticipated and from US\$ 90.1bn in the previous month. Exports advanced by 5.9% (-1.1% in Oct'25) and imports inched up by 1.9% (1% in Oct'25) for the same period. In Japan, Q3 GDP print was revised downwards (from -1.8%) as it contracted by (-) 2.3% at an annualized pace. Additionally, real wages were down for the 10th straight month at 0.7% in Oct'25 from 1.3% in Sep'25. In India, RBI's MPC delivered a unanimous rate cut of 25bps, while retaining the stance at neutral. In order to inject liquidity, RBI also announced OMO auctions and US/INR buy sell swap, which is expected to infuse over Rs 1.45 lakh crore of liquidity in the system. This week, the spotlight will be on the Fed policy decision and guidance on rate trajectory.

- Barring FTSE and Nikkei, other global indices closed higher. US stocks edged up ahead of the upcoming Fed rate decision. Amongst other indices, Shanghai Comp and Hang Seng were the biggest gainers. Sensex rose with gains in banking and IT related stocks. However, it is trading lower today, while Asian indices are trading mixed.

Table 1 – Stock markets

	04-12-2025	05-12-2025	Change, %
Dow Jones	47,851	47,955	0.2
S & P 500	6,857	6,870	0.2
FTSE	9,711	9,667	(0.5)
Nikkei	51,028	50,492	(1.1)
Hang Seng	25,936	26,085	0.6
Shanghai Comp	3,876	3,903	0.7
Sensex	85,265	85,712	0.5
Nifty	26,034	26,186	0.6

Source: Bloomberg, Bank of Baroda Research

- Barring JPY (lower), other global currencies closed flat against the dollar. DXY also remained steady. Yen declined, tracking weak GDP data for Q3CY25, as it dims prospects of rate hike by BoJ. In the US, investors await future rate guidance for CY26. INR remained flat; however, it has breached the 90/\$ mark again today. Asian currencies are trading mixed.

Table 2 – Currencies

	04-12-2025	05-12-2025	Change, %
EUR/USD (1 EUR / USD)	1.1644	1.1642	0
GBP/USD (1 GBP / USD)	1.3327	1.3328	0
USD/JPY (JPY / 1 USD)	155.10	155.33	(0.1)
USD/INR (INR / 1 USD)	89.98	89.99	0
USD/CNY (CNY / 1 USD)	7.0719	7.0711	0
DXY Index	98.99	98.99	0

Source: Bloomberg, Bank of Baroda Research



- Barring China and India (lower), 10Y global yields rose elsewhere. Yields in the US and UK rose the most by 4bps. Investors overlooked cooling PCE inflation data for Sep'25 and drop in jobless claims due to thanksgiving holidays. India's 10Y yield declined by 2bps, as investors assessed RBI's monetary policy decisions. It is trading flat today, amidst declining oil prices.

Table 3 – Bond 10Y yield

	04-12-2025	05-12-2025	Change, bps
US	4.10	4.14	4
UK	4.44	4.48	4
Germany	2.77	2.80	3
Japan	1.94	1.95	1
China	1.86	1.83	(2)
India	6.51	6.49	(2)

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	04-12-2025	05-12-2025	Change, bps
Tbill-91 days	5.34	5.22	(12)
Tbill-182 days	5.50	5.45	(5)
Tbill-364 days	5.53	5.44	(9)
G-Sec 2Y	5.82	5.76	(6)
India OIS-2M	5.42	5.33	(9)
India OIS-9M	5.45	5.39	(6)
SONIA int rate benchmark	3.97	3.97	0
US SOFR	3.95	3.92	(3)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	04-12-2025	05-12-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	2.7	2.3	(0.4)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	03-12-2025	04-12-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	(601.9)	(122.3)	479.6
Debt	(75.5)	(266.6)	(191.1)
Equity	(526.5)	144.3	670.7
Mutual funds (Rs cr)	(3,757.9)	2,273.7	6,031.6
Debt	(3,189.2)	709.9	3,899.1
Equity	(568.7)	1,563.8	2,132.5

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 02 Dec and 03 Dec 2025

- Oil prices rose, as tensions between Ukraine-Russia escalate.

Table 7 – Commodities

	04-12-2025	05-12-2025	Change, %
Brent crude (US\$/bbl)	63.3	63.8	0.8
Gold (US\$/ Troy Ounce)	4,207.6	4,197.8	(0.2)
Copper (US\$/ MT)	11,500.4	11,643.6	1.2
Zinc (US\$/MT)	3,333.2	3,261.0	(2.2)
Aluminium (US\$/MT)	2,904.0	2,897.5	(0.2)

Source: Bloomberg, Bank of Baroda Research



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