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Global markets remained watchful against the backdrop of political developments in France and Japan. ECB President spoke of concerns over likely miss of the budget plan. The softening of yen continued as traders pared down expectations of rate hike by BoJ. Concerns over US government shutdown continued to weigh on gold. Its record high rally persisted for 7th session in a row. Among other developments has been the commentary of Minneapolis Fed President who spoke against drastic rate cuts stoking inflationary concerns. On domestic front, RBI came up with draft directions on amending the existing standardised approach framework for credit risk calculation. Major revisions centre around granular risk weight treatment for corporates, MSMEs and real estate, revision in the credit conversion factors and adjustments to the risk weights rated by credit rating agencies.

- Global stocks ended mixed. In the US, a continued government shutdown weighed on sentiments, pushing stocks lower. In Asia, Nikkei ended flat as investors await more clarity on the policies of the new PM. Sensex edged up by 0.2%, led by gains in real estate and oil and gas stocks. It is trading further higher today, while other Asian markets are trading mixed.

Table 1 – Stock markets

	6-10-2025	7-10-2025	Change, %
Dow Jones	46,695	46,603	(0.2)
S & P 500	6,740	6,715	(0.4)
FTSE	9,479	9,484	0
Nikkei	47,945	47,951	0
Hang Seng	27,141	26,958	(0.7)
Shanghai Comp	3,863	3,883	0.5
Sensex	81,790	81,927	0.2
Nifty	25,078	25,108	0.1

Source: Bloomberg, Bank of Baroda Research, Note: China's data as of 30 Sep and 29 Sep, Hang Seng was also closed on 7 Oct

- Global currencies ended broadly weaker against the dollar. JPY and EUR declined further tracking political developments. DXY was 0.5% higher. INR continued to trade near a historic low. It is trading at similar levels today, while other Asian currencies are trading mixed.

Table 2 – Currencies

	6-10-2025	7-10-2025	Change, %
EUR/USD (1 EUR / USD)	1.1711	1.1657	(0.5)
GBP/USD (1 GBP / USD)	1.3485	1.3426	(0.4)
USD/JPY (JPY / 1 USD)	150.35	151.90	(1.0)
USD/INR (INR / 1 USD)	88.79	88.78	0
USD/CNY (CNY / 1 USD)	7.1224	7.1224	0
DXY Index	98.11	98.58	0.5

Source: Bloomberg, Bank of Baroda Research, Note: China's data as of 30 Sep and 29 Sep



- The risk off sentiments over recent global political developments led to higher demand for sovereign asset class. US 10Y yield fell the most as concerns over US government shutdown remained elevated. India's 10Y yield fell a tad tracking global yields. It is trading at 6.50% today.

Table 3 – Bond 10Y yield

	6-10-2025	7-10-2025	Change, bps
US	4.15	4.12	(3)
UK	4.74	4.72	(2)
Germany	2.72	2.71	(1)
Japan	1.69	1.69	(1)
China	1.90	1.87	(3)
India	6.52	6.51	(1)

Source: Bloomberg, Bank of Baroda Research, Note: China's data as of 30 Sep and 29 Sep

Table 4 – Short term rates

	6-10-2025	7-10-2025	Change, bps
Tbill-91 days	5.38	5.47	9
Tbill-182 days	5.50	5.55	5
Tbill-364 days	5.54	5.56	2
G-Sec 2Y	5.69	5.64	(4)
India OIS-2M	5.49	5.49	0
India OIS-9M	5.41	5.40	(1)
SONIA int rate benchmark	3.97	3.97	0
US SOFR	4.18	4.15	(3)

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	6-10-2025	7-10-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	1.6	1.5	(0.1)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	3-10-2025	6-10-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	72.3	(351.4)	(423.7)
Debt	250.8	(185.6)	(436.4)
Equity	(178.5)	(165.8)	12.7
Mutual funds (Rs cr)	(1,273.9)	9,121.0	10,394.9
Debt	(3,133.8)	6,266.5	9,400.3
Equity	1,859.9	2,854.6	994.7

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 1 Oct and 30 Sep 2025

- Oil prices ended flat as investors weighed supply-demand dynamics.

Table 7 – Commodities

	6-10-2025	7-10-2025	Change, %
Brent crude (US\$/bbl)	65.5	65.5	0
Gold (US\$/ Troy Ounce)	3,961.0	3,984.9	0.6
Copper (US\$/ MT)	10,613.1	10,724.3	1.0
Zinc (US\$/MT)	3,055.3	3,113.6	1.9
Aluminium (US\$/MT)	2,725.0	2,741.5	0.6

Source: Bloomberg, Bank of Baroda Research



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