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ECONOMIST

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A major development on tariff front has been US President's recent statement over stalling trade negotiations with Canada. Additionally, White House has announced a formal meeting between US and China, scheduled for next week. This will be closely watched against the recent curbs on US software exports in retaliation to restrictions on China's rare earth shipments. Separately, Chinese officials in their Communist Party conclave pledged to strengthen domestic capacity by focusing on science and technology and emphasising on a stable share in global manufacturing output. On macro front, US existing home sales data showed sequential momentum. Taiwan's industrial production remained upbeat. Japan's core CPI softened. On domestic front, liquidity is seeing month end pressure. RBI's fine tuning will lend support.

- Except Nikkei, other major stock indices rose. FTSE, Hang Seng and S&P 500 made notable gains. Markets in the US were supported by better-than-expected earnings report and tracking news of meeting between Presidents of US and China, next week. Sensex rose by 0.2%, led by gains in technology and banking stocks. It is trading further higher today, in line with other Asian indices.

Table 1 – Stock markets

	22-10-2025	23-10-2025	Change, %
Dow Jones	46,590	46,735	0.3
S & P 500	6,699	6,738	0.6
FTSE	9,515	9,579	0.7
Nikkei	49,308	48,642	(1.4)
Hang Seng	25,782	25,968	0.7
Shanghai Comp	3,914	3,922	0.2
Sensex	84,363	84,556	0.2
Nifty	25,843	25,891	0.2

Source: Bloomberg, Bank of Baroda Research| Note: Indian markets were closed on 21st and 22nd Oct

- Global currencies ended mixed against the dollar. Yen slid as investors await details on fiscal stimulus package announcement by the new PM. GBP continued to retreat as odds of BoE cutting rates in Dec'25 have increased after the CPI report. INR rose by 0.1%, tracking news of prospective US-India trade deal. It is trading further stronger today, in line with other Asian currencies.

Table 2 – Currencies

	22-10-2025	23-10-2025	Change, %
EUR/USD (1 EUR / USD)	1.1611	1.1618	0.1
GBP/USD (1 GBP / USD)	1.3356	1.3326	(0.2)
USD/JPY (JPY / 1 USD)	151.98	152.57	(0.4)
USD/INR (INR / 1 USD)	87.93	87.85	0.1
USD/CNY (CNY / 1 USD)	7.1251	7.1233	0
DXI Index	98.90	98.94	0

Source: Bloomberg, Bank of Baroda Research| Note: Indian markets were closed on 21st and 22nd Oct

- Global yields inched up led by the US. Its 10Y yield rose by 5bps buoyed by optimism over US-China trade talks. 10Y yields of other major economies also edged up led by some risk alignment of portfolios. India's 10Y yield also rose tracking global yields and month-end liquidity situation. It is trading at 6.53% today, ahead of the auction results.

Table 3 – Bond 10Y yield

	22-10-2025	23-10-2025	Change, bps
US	3.95	4.00	5
UK	4.42	4.42	1
Germany	2.56	2.58	2
Japan	1.65	1.67	2
China	1.83	1.84	1
India	6.50	6.54	3

Source: Bloomberg, Bank of Baroda Research| Note: Indian markets were closed on 21st and 22nd Oct**Table 4 – Short term rates**

	20-10-2025	23-10-2025	Change, bps
Tbill-91 days	5.41	5.45	4
Tbill-182 days	5.53	5.56	3
Tbill-364 days	5.53	5.57	4
G-Sec 2Y	5.75	5.77	2
India OIS-2M	5.51	5.52	1
India OIS-9M	5.41	5.44	3
SONIA int rate benchmark	3.97	3.97	0
US SOFR	4.23	4.21	(2)

Source: Bloomberg, Bank of Baroda Research| Note: International rates as of 21st and 22nd Oct**Table 5 – Liquidity**

Rs tn	20-10-2025	23-10-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(0.7)	0	0.7

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	17-10-2025	20-10-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	300.1	226.5	(73.6)
Debt	199.8	139.4	(60.4)
Equity	100.4	87.1	(13.3)
Mutual funds (Rs cr)	3,192.8	2,787.1	(405.7)
Debt	927.3	(698.7)	(1,626.1)
Equity	2,265.5	3,485.8	1,220.4

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 14th Oct and 15th Oct 2025

- Oil prices rose sharply, noting the impact of US sanctions on Russian oil supply.

Table 7 – Commodities

	22-10-2025	23-10-2025	Change, %
Brent crude (US\$/bbl)	62.6	66.0	5.4
Gold (US\$/ Troy Ounce)	4,098.4	4,126.3	0.7
Copper (US\$/ MT)	10,656.6	10,843.0	1.7
Zinc (US\$/MT)	3,367.7	3,243.4	(3.7)
Aluminium (US\$/MT)	2,807.0	2,862.5	2.0

Source: Bloomberg, Bank of Baroda Research



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