

MORNING MOCHA

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ECONOMIST
Dipanwita Mazumdar

Among major macro releases of the day, has been the US jobs data. The Jan'26 nonfarm payroll number rose the most in the past one year, with 130K additions. The unemployment rate also moderated to 4.3% compared to previous level of 4.4%. The 3-month moving average of nonfarm payrolls also strengthened to 73k from previous decline of -17K. The buoyancy in labour market conditions has pushed bets of interest rate cut by Fed to Jul'26 instead of Jun'26 earlier. As an immediate response, US 10Y yield also firmed up. Elsewhere in Japan, PPI picked up sequentially by 0.2% and reporting a YoY reading of 2.3% in Jan'26. On domestic front, the new series of CPI with base year 2023-24 will be released. Some upside pressure on CPI will be visible due to increased weight of core inflation. However, it is expected to remain within RBI's target range.

- Global stocks ended mixed. US stocks declined broadly after a stronger than expected jobs report pushed back expectations of rate cuts. FTSE surged by 1.1% to a record high, led by gains in energy stocks. Sensex ended flat as gains in auto stocks were offset by weakness in tech stocks. It is trading lower today, while other Asian markets are trading mostly higher.

Table 1 – Stock markets

	10-02-2026	11-02-2026	Change, %
Dow Jones	50,188	50,121	(0.1)
S & P 500	6,942	6,941	0
FTSE	10,354	10,472	1.1
Nikkei	56,364	57,651	2.3
Hang Seng	27,183	27,266	0.3
Shanghai Comp	4,128	4,132	0.1
Sensex	84,274	84,234	0
Nifty	25,935	25,954	0.1

Source: Bloomberg, Bank of Baroda Research, Note: Nikkei was closed on 11 Feb 2026

- DXY ended marginally stronger as hopes of aggressive rate cuts faded after the US jobs report. JPY continued to appreciate and rose by 0.7%. INR depreciated by 0.1% due to strong dollar demand from importers. It is however trading stronger today, in line with other Asian currencies.

Table 2 – Currencies

	10-02-2026	11-02-2026	Change, %
EUR/USD (1 EUR / USD)	1.1895	1.1872	(0.2)
GBP/USD (1 GBP / USD)	1.3643	1.3628	(0.1)
USD/JPY (JPY / 1 USD)	154.39	153.26	0.7
USD/INR (INR / 1 USD)	90.58	90.71	(0.1)
USD/CNY (CNY / 1 USD)	6.9127	6.9121	0
DXY Index	96.80	96.83	0

Source: Bloomberg, Bank of Baroda Research



- Barring US (higher), global 10Y yields softened. US 10Y yield rose by 3bps as strengthening jobs data delayed hopes of rate cut by Fed. UK's 10Y yield moderated ahead of the monthly GDP data. India's 10Y edged down by 2bps monitoring liquidity conditions. It is trading higher at 6.73% today, ahead of the release of the new CPI series.

Table 3 – Bond 10Y yield

	10-02-2026	11-02-2026	Change, bps
US	4.14	4.17	3
UK	4.51	4.48	(3)
Germany	2.81	2.79	(2)
Japan	2.29	2.24	(5)
China	1.81	1.80	(1)
India	6.73	6.71	(2)

Source: Bloomberg, Bank of Baroda Research, Note: Japan's 10Y yield was closed on 11 Feb 2026

Table 4 – Short term rates

	10-02-2026	11-02-2026	Change, bps
Tbill-91 day s	5.28	5.31	3
Tbill-182 day s	5.41	5.55	14
Tbill-364 day s	5.62	5.60	(2)
G-Sec 2Y	5.72	5.77	5
India OIS-2M	5.31	5.32	1
India OIS-9M	5.44	5.44	0
SONIA intrate benchmark	3.73	3.73	0
US SOFR	3.63	3.65	2

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	10-02-2026	11-02-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	3.4	2.9	(0.5)

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	09-02-2026	10-02-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	506.4	122.4	(384.1)
Debt	97.4	87.0	(10.4)
Equity	409.0	35.4	(373.7)
Mutual funds (Rs cr)	(12,192.4)	(11,093.7)	1,098.7
Debt	(11,479.8)	(8,858.0)	2,621.8
Equity	(712.6)	(2,235.6)	(1,523.1)

Source: Bloomberg, Bank of Baroda Research| Note: Mutual Fund data as of 5th & 6th Feb 2026

- Oil prices rose as tensions between US and Iran continued.

Table 7 – Commodities

	10-02-2026	11-02-2026	Change, %
Brent crude (US\$/bbl)	68.8	69.4	0.9
Gold (US\$/ Troy Ounce)	5,025.5	5,084.4	1.2
Copper (US\$/ MT)	13,031.9	13,090.5	0.4
Zinc (US\$/MT)	3,375.5	3,388.7	0.4
Aluminium (US\$/MT)	3,093.0	3,103.0	0.3

Source: Bloomberg, Bank of Baroda Research



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For further details about this publication, please contact:

Chief Economist

Bank of Baroda

chief.economist@bankofbaroda.com