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US PPI remained unchanged in Sep'24, (est. +0.1%) following a 0.2% increase in Aug'24 (MoM), suggesting that price pressures remain broadly contained. On the other hand, University of Michigan's consumer sentiment index moderated to 68.9 in Oct'24 from 70.1 in Sep'24. In China, government announced plans to "significantly increase" debt as part of its fiscal stimulus to boost growth. However, details of the fresh package, including the amount of debt which the government plans to raise were omitted from the announcement. Analysts had expected a package worth CNY 2-10 tn. Separate data showed that CPI inflation in China eased to 0.4% in Sep'24 (est. 0.6%) from 0.6% in Aug'24, due to weak domestic demand. Deflation in PPI also aggravated to 2.8% from 1.8% last month. Separately in UK, GDP growth bounced back to 0.2% after remaining stagnant in last two months. In India, IIP growth contracted by 0.1% (first time in 22-months), due to an unfavourable base.

- Global indices ended mixed. US indices advanced with focus shifting towards earnings report and retail sales data. Shanghai Comp ended lower ahead of key economic releases and announcement of more stimulus measures. Sensex ended in the red and was dragged down by losses in real estate and banking stocks. However, it is trading higher today while Asian stocks are trading mixed.

Fig 1 – Stock markets

	10-10-2024	11-10-2024	Change, %
Dow Jones	42,454	42,864	1.0
S & P 500	5,780	5,815	0.6
FTSE	8,238	8,254	0.2
Nikkei	39,381	39,606	0.6
Hang Seng	20,637	21,252	3.0
Shanghai Comp	3,302	3,218	(2.5)
Sensex	81,611	81,381	(0.3)
Nifty	24,998	24,964	(0.1)

Source: Bloomberg, Bank of Baroda Research

- Global currencies ended mixed. DXY declined tracking PPI data. GBP rose supported by uptick in GDP growth in Aug'24. INR depreciated to a record low amidst FPI equity outflows and concerns over higher oil prices. It is however trading a tad stronger today, while other currencies are trading broadly lower.

Fig 2 – Currencies

	10-10-2024	11-10-2024	Change, %
EUR/USD (1 EUR / USD)	1.0934	1.0937	0
GBP/USD (1 GBP / USD)	1.3059	1.3067	0.1
USD/JPY (JPY / 1 USD)	148.57	149.13	(0.4)
USD/INR (INR / 1 USD)	83.98	84.07	(0.1)
USD/CNY (CNY / 1 USD)	7.0765	7.0668	0.1

Source: Bloomberg, Bank of Baroda



- Global yields closed mixed. 10Y yields in US, Germany and India inched up, while they fell in Japan and China. US 10Y yield rose above the 4.1% mark for the first time since Jul'24 as investors monitored jobs report and higher than expected CPI data. India's 10Y yield rose by 1bps. It is trading lower at 6.77%, today ahead of inflation data.

Fig 3 – Bond 10Y yield

	10-10-2024	11-10-2024	Change, bps
US	4.06	4.10	4
UK	4.21	4.21	0
Germany	2.26	2.27	1
Japan	0.96	0.95	(1)
China	2.16	2.15	(1)
India	6.78	6.79	1

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	10-10-2024	11-10-2024	change in bps
Tbill-91 days	6.41	6.40	(1)
Tbill-182 days	6.53	6.51	(2)
Tbill-364 days	6.51	6.52	1
G-Sec 2Y	6.62	6.64	2
India OIS-2M	6.56	6.56	0
India OIS-9M	6.44	6.46	2
SONIA int rate benchmark	4.95	4.95	0
US SOFR	4.83	4.82	(1)

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	10-10-2024	11-10-2024	change (Rs tn)
Net Liquidity (-Surplus/+deficit)	(1.3)	(1.8)	(0.5)
Reverse Repo	0.8	0.4	(0.4)
Repo	0	0	0

Source: RBI, Bank of Baroda Research

Fig 6 – Capital market flows

	09-10-2024	10-10-2024	change (US\$ mn/Rs cr)
FII (US\$ mn)	46.3	(677.4)	(723.7)
Debt	484.5	(113.2)	(597.8)
Equity	(438.2)	(564.1)	(125.9)
Mutual funds (Rs cr)	11,633.3	10,755.4	(877.9)
Debt	580.2	3,037.8	2,457.6
Equity	11,053.2	7,717.7	(3,335.5)

Source: Bloomberg, Bank of Baroda Research | Note: Data for Mutual Funds as of 3 Oct and 4 Oct 2024

- Oil prices fell amidst concerns of subdued demand from China.

Fig 7 – Commodities

	10-10-2024	11-10-2024	% change
Brent crude (US\$/bbl)	79.4	79.0	(0.5)
Gold (US\$/ Troy Ounce)	2,629.7	2,656.6	1.0
Copper (US\$/ MT)	9,582.9	9,650.5	0.7
Zinc (US\$/MT)	3,070.3	3,140.9	2.3
Aluminium (US\$/MT)	2,586.0	2,632.5	1.8

Source: Bloomberg, Bank of Baroda Research



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