

**MORNING MOCHA**

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US retail sales data rose at a less than expected pace in Feb'25 (0.2%, MoM against est.: 0.6%). Even last month's figure was revised lower. In other releases, OECD has highlighted trade fragmentation as growing risk to overall growth outlook. Hence global growth is estimated to edge down to 3.1% in CY25 from 3.2% in CY24. Growth in US and China is projected to slow down to 2.2% (2.8% in CY24) and 4.8% (5% in CY24), respectively. For India, GDP growth is expected to moderate to 6.4%, amidst volatile global space. Amongst asset classes, safe-haven demand led to record high level in gold prices (US\$ 3000/troy ounce). On domestic front, some momentum in WPI was noted led by inflation in manufactured products. Trade deficit on the other hand narrowed down led by softening of gold and oil imports.

- Global stocks ended higher. Investors continue to monitor developments surrounding global tariff war, while adopting a "buy the dip" strategy. Focus also remains on US macro data and policy decisions of Fed, BoJ and BoE. In the US, tech stocks remained in demand, while in the UK, energy and mining share rose the most. Sensex ended higher driven by metal and auto stocks. It is trading further higher today, in line with other Asian stocks.

**Fig 1 – Stock markets**

	14-03-2025	17-03-2025	Change, %
Dow Jones	41,488	41,842	0.9
S & P 500	5,639	5,675	0.6
FTSE	8,632	8,680	0.6
Nikkei	37,053	37,397	0.9
Hang Seng	23,960	24,146	0.8
Shanghai Comp	3,420	3,426	0.2
Sensex	73,829	74,170	0.5
Nifty	22,397	22,509	0.5

Source: Bloomberg, Bank of Baroda Research

- Except JPY, other global currencies gained as dollar continued its slide. Growth concerns weighed on dollar, which declined to a 5-month low. Focus remains on central bank meetings in the US, UK and Japan this week. INR appreciated by 0.2% and is trading further stronger today, in line with Asian peers.

**Fig 2 – Currencies**

	14-03-2025	17-03-2025	Change, %
EUR/USD (1 EUR / USD)	1.0879	1.0922	0.4
GBP/USD (1 GBP / USD)	1.2935	1.2992	0.4
USD/JPY (JPY / 1 USD)	148.64	149.21	(0.4)
USD/INR (INR / 1 USD)	87.01	86.80	0.2
USD/CNY (CNY / 1 USD)	7.2374	7.2262	0.2
DXI Index	103.72	103.37	(0.3)

Source: Bloomberg, Bank of Baroda Research | Note: Figures in brackets indicate depreciation against the dollar



- Except Japan (stable) and China (higher), global yields closed lower. Germany's 10Y yield fell the most on account of frontloading ahead of debt reform vote. UK's 10Y yield softened monitoring sluggish monthly GDP data. China's 10Y yield firmed up buoyed by government's announcement of special action plan to boost consumption. India's 10Y yield fell a tad and is trading flat today.

**Fig 3 – Bond 10Y yield**

	14-03-2025	17-03-2025	Change, bps
US	4.31	4.30	(1)
UK	4.67	4.64	(3)
Germany	2.88	2.82	(6)
Japan	1.52	1.51	0
China	1.85	1.90	5
India	6.70	6.69	(1)

Source: Bloomberg, Bank of Baroda Research

**Fig 4 – Short term rates**

	14-03-2025	17-03-2025	Change, bps
Tbill-91 days	6.48	6.46	(2)
Tbill-182 days	6.59	6.56	(3)
Tbill-364 days	6.56	6.52	(4)
G-Sec 2Y	6.54	6.55	1
India OIS-2M	6.34	6.34	0
India OIS-9M	6.13	6.13	0
SONIA int rate benchmark	4.45	4.46	0
US SOFR	4.31	4.30	(1)

Source: Bloomberg, Bank of Baroda Research

**Fig 5 – Liquidity**

Rs tn	14-03-2025	17-03-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(1.5)	(2.4)	(0.9)
Reverse Repo	0	0	0
Repo*	1.9	1.5	(0.4)

Source: RBI, Bank of Baroda Research, \*Includes LTRO

**Fig 6 – Capital market flows**

	12-03-2025	13-03-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	150.5	92.0	(58.5)
Debt	312.1	190.5	(121.7)
Equity	(161.6)	(98.4)	63.2
Mutual funds (Rs cr)	(4,311.9)	(968.7)	3,343.3
Debt	(6,656.6)	(1,098.1)	5,558.5
Equity	2,344.7	129.4	(2,215.3)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 11 Mar and 12 Mar 2025

- Oil prices rose as China's stimulus measures led to hopes of demand revival.

**Fig 7 – Commodities**

	14-03-2025	17-03-2025	Change, %
Brent crude (US\$/bbl)	70.6	71.1	0.7
Gold (US\$/ Troy Ounce)	2984.2	3000.6	0.6
Copper (US\$/ MT)	9731.9	9799.3	0.7
Zinc (US\$/MT)	2957.0	2932.4	(0.8)
Aluminium (US\$/MT)	2681.5	2687.0	0.2

Source: Bloomberg, Bank of Baroda Research



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