

**MORNING MOCHA**

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 ECONOMIST  
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US macro data is pointing towards diverging growth trends. New home sales rose by 1.8% (MoM) in Feb'25 to 676k units, supported by lower mortgage rates. The 30Y fixed rate mortgage averaged 6.84% in Feb'25 versus 6.96% in Jan'25 and is further down to 6.65% in Mar'25 so far. In contrast, conference board consumer confidence index fell by 7.2 points to 92.9 in Mar'25 (lowest since Jan'21). More significantly, the future expectations index dropped to 12-year low of 65.2 (-9.6 points), falling much below the threshold level of 80, an indication of expected recession in the economy. Survey participants highlighted rising economic and political uncertainty as the key reason. Elsewhere, in Germany, IFO business climate index rose to 86.7 in Mar'25 from 85.3 in Feb'25, driven by improvement in the expectations index (87.7 versus 85.6). Manufacturing and services sector became less sceptical about the future.

- Global indices ended mixed. US indices closed flat as investors tracked weaker consumer confidence data and awaited clarity on a more targeted approach on tariff plans. FTSE advanced lifted by gains in Shell amidst a new strategy update that will be cost effective. Sensex remained steady. It is trading lower today while other Asian indices are trading mixed.

**Fig 1 – Stock markets**

	24-03-2025	25-03-2025	Change, %
Dow Jones	42,583	42,588	0
S & P 500	5,768	5,777	0.2
FTSE	8,638	8,664	0.3
Nikkei	37,608	37,781	0.5
Hang Seng	23,906	23,344	(2.3)
Shanghai Comp	3,370	3,370	0
Sensex	77,984	78,017	0
Nifty	23,658	23,669	0

Source: Bloomberg, Bank of Baroda Research

- Global currencies closed mixed. DXY weakened amidst poor macro data and uncertainty prevailing on tariff plans. GBP appreciated awaiting inflation report and an update on budget. JPY strengthened amidst hawkish tone by BoJ. INR depreciated and is trading stronger today; Asian currencies are trading mixed.

**Fig 2 – Currencies**

	24-03-2025	25-03-2025	Change, %
EUR/USD (1 EUR / USD)	1.0801	1.0791	(0.1)
GBP/USD (1 GBP / USD)	1.2923	1.2944	0.2
USD/JPY (JPY / 1 USD)	150.70	149.91	0.5
USD/INR (INR / 1 USD)	85.64	85.76	(0.1)
USD/CNY (CNY / 1 USD)	7.2607	7.2584	0
DXY Index	104.26	104.18	(0.1)

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



- Global 10Y yields closed mixed. US 10Y yield fell by 2bps in the wake of plummeting consumer confidence levels. German bond yields inched up, tracking loose fiscal policy and improvement in business sentiment index. India's 10Y yield rose by 1bps, but is trading a tad lower today at 6.63%, tracking global cues.

**Fig 3 – Bond 10Y yield**

	24-03-2025	25-03-2025	Change, bps
US	4.33	4.31	(2)
UK	4.71	4.75	4
Germany	2.77	2.80	3
Japan	1.55	1.58	4
China	1.83	1.82	(1)
India	6.63	6.64	1

Source: Bloomberg, Bank of Baroda Research

**Fig 4 – Short term rates**

	24-03-2025	25-03-2025	Change, bps
Tbill-91 days	6.45	6.45	0
Tbill-182 days	6.52	6.55	3
Tbill-364 days	6.46	6.46	0
G-Sec 2Y	6.47	6.48	1
India OIS-2M	6.33	6.32	(1)
India OIS-9M	6.11	6.13	2
SONIA int rate benchmark	4.46	4.46	0
US SOFR	4.30	4.31	1

Source: Bloomberg, Bank of Baroda Research

**Fig 5 – Liquidity**

Rs tn	24-03-2025	25-03-2025	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	(1.9)	(1.9)	0
Reverse Repo	0	0	0
Repo*	2.3	2.3	0

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

**Fig 6 – Capital market flows**

	21-03-2025	24-03-2025	change (US\$ mn/Rs cr)
FII (US\$ mn)	726.8	887.8	161.0
Debt	116.3	164.8	48.5
Equity	610.5	723.0	112.5
Mutual funds (Rs cr)	(14,723.6)	(3,847.0)	10,876.7
Debt	(11,713.4)	708.2	12,421.6
Equity	(3,010.3)	(4,555.2)	(1,544.9)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual Fund data as of 20 Mar and 21 Mar 2025

- Oil prices remained steady, tracking news of Russia-Ukraine peace pact.

**Fig 7 – Commodities**

	24-03-2025	25-03-2025	Change, %
Brent crude (US\$/bbl)	73.0	73.0	0
Gold (US\$/ Troy Ounce)	3011.0	3020.1	0.3
Copper (US\$/ MT)	9916.5	10091.5	1.8
Zinc (US\$/MT)	2932.2	2956.7	0.8
Aluminium (US\$/MT)	2615.5	2609.5	(0.2)

Source: Bloomberg, Bank of Baroda Research



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