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Manufacturing activity in China showed revival with Caixin PMI index remaining above the 50-mark for the 2nd consecutive month. buoyed by new orders and export orders. Elsewhere, in Japan, Yen strengthened leading to speculation of official intervention. Macro data of the region showed that jobless rate inched up, retail sales decelerated, and industrial production picked up, thus providing conflicting signals about growth inflation duo. In Germany, inflation remained sticky, thus again raising doubts about the last mile of disinflation. In the US, Treasury ramped up its estimate for Apr-Jun'24 borrowing to US\$ 243bn from US\$ 202bn earlier. However, the impact on its yield is not yet visible. In a recent report by IMF, it has been pointed out that Asia's improved growth outlook will be supported by India and China.

- Global indices started the data heavy week on a positive note. Stocks in the US rose supported by upbeat earnings reports. The rebound in China's stock market continued with Shanghai Comp rising by 0.8%, as investors reassessed their view on the state of the economy. Sensex rose sharply by 1.3%, with all sectoral indices (barring real estate) in green. Banking stocks advanced the most. It is trading further higher today, in line with other Asian stocks.

Fig 1 – Stock markets

	26-04-2024	29-04-2024	Change, %
Dow Jones	38,240	38,386	0.4
S & P 500	5,100	5,116	0.3
FTSE	8,140	8,147	0.1
Nikkei	37,628	37,935	0.8
Hang Seng	17,651	17,747	0.5
Shanghai Comp	3,089	3,113	0.8
Sensex	73,730	74,671	1.3
Nifty	22,420	22,643	1.0

Source: Bloomberg, Bank of Baroda Research

- Barring INR, other global currencies appreciated against the dollar. DXY was 0.3% lower, as investors await the outcome of Fed policy meeting. JPY appreciated sharply by 1.3% on suspected BoJ intervention. INR depreciated by 0.1% to a fresh record low, led by month-end dollar demand from importers. It is trading weaker today, in line with other Asian currencies.

Fig 2 – Currencies

	26-04-2024	29-04-2024	Change, %
EUR/USD (1 EUR / USD)	1.0693	1.0721	0.3
GBP/USD (1 GBP / USD)	1.2493	1.2563	0.6
USD/JPY (JPY / 1 USD)	158.33	156.35	1.3
USD/INR (INR / 1 USD)	83.35	83.47	(0.1)
USD/CNY (CNY / 1 USD)	7.2464	7.2290	0.2

Source: Bloomberg, Bank of Baroda Research



- Global yields closed mixed. US 10Y fell by 5bps despite higher than estimated borrowing by Treasury for Apr-Jun quarter. 10Y yield in UK, Germany also moderated ahead of Fed policy decision. China's 10Y yield inched up amidst expectation of some degree of momentum in economic activity. India's 10Y yield rose a tad by 1bps. It is trading at 7.19% today.

Fig 3 – Bond 10Y yield

	26-04-2024	29-04-2024	Change, bps
US	4.66	4.61	(5)
UK	4.32	4.29	(3)
Germany	2.58	2.53	(4)
Japan	0.89	0.89	0
China	2.31	2.36	5
India	7.19	7.20	1

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	26-04-2024	29-04-2024	change in bps
Tbill-91 days	6.96	6.96	0
Tbill-182 days	7.02	7.01	(1)
Tbill-364 days	7.06	7.06	0
G-Sec 2Y	7.13	7.14	1
India OIS-2M	6.75	6.76	1
India OIS-9M	6.87	6.84	(3)
SONIA int rate benchmark	5.20	5.20	0
US SOFR	5.31	5.32	1

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	26-04-2024	29-04-2024	change (Rs tn)
Net Liquidity (-Surplus/+deficit)	1.6	1.3	(0.3)
Reverse Repo	0	0	0
Repo	1.8	0.8	(1.0)

Source: RBI, Bank of Baroda Research

Fig 6 – Capital market flows

	25-04-2024	26-04-2024	change (US\$ mn/Rs cr)
FII (US\$ mn)	61.3	(273.4)	(334.7)
Debt	58.1	11.3	(46.8)
Equity	3.2	(284.7)	(288.0)
Mutual funds (Rs cr)	2,435.4	1,374.9	(1,060.5)
Debt	(700.6)	(973.0)	(272.3)
Equity	3,136.0	2,347.9	(788.2)

Source: Bloomberg, Bank of Baroda Research | Note: Mutual funds data as of 23 Apr and 22 Apr 2024

- Oil prices moderated amidst expectation of Israel-Gaza truce talks.

Fig 7 – Commodities

	26-04-2024	29-04-2024	% change
Brent crude (US\$/bbl)	89.5	88.4	(1.2)
Gold (US\$/ Troy Ounce)	2,338.0	2,335.7	(0.1)
Copper (US\$/ MT)	9,852.8	10,063.9	2.1
Zinc (US\$/MT)	2,832.4	2,933.7	3.6
Aluminium (US\$/MT)	2,569.5	2,590.0	0.8

Source: Bloomberg, Bank of Baroda Research



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