

# Rupee appreciates against a weakening dollar

Our Bureau

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The rupee appreciated in the wake of the dollar weakening against global currencies amid tariff wars and inflows into Indian markets.

The rupee (INR) closed at 85.43 per US dollar (USD), up about 7 paise, versus the previous close of 85.4975.

Though it touched an intraday low of 85.75 per USD, the Indian unit pulled back on inflows related to FPI investments in Indian markets.

Sonal Badhan, Economist, Bank of Baroda, observed that among major emerging markets of Asia, India has one of the lowest rate, after Philippines (17 per cent).

These measures may lead to some trade realignment, as countries with lower rate will have an opportunity to gain market share.

"This year, rupee is likely to find support from improvement in growth prospects, lower inflation and stable external deficits. We expect INR to trade in the range of 85.5-87.5/\$ in FY26. We expect India's 10-year yield to trade in the range of 6.25-6.75 per cent in FY26, with downward bias. Favourable liquidity conditions, demand from a risk-off biased sentiments and easier monetary conditions by RBI will allow it to trade with a downward bias," she said.

## STRONG FOOTING

Despite the challenges arising from supply chain disruptions, cost escalations and a looming inflation spike due to the tariff war, India stands on a relatively-strong footing, said Amit Pabari, MD, CR Forex Advisors. "The RBI has ample forex reserves, offering a buffer against currency volatility."