

₹ breaches 92 vs \$; RBI buys govt bonds

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Mumbai, 4 March

The rupee fell to a record low of 92.30 against the dollar on Wednesday, pressured by escalating geopolitical tensions in West Asia that have sent crude oil prices sharply higher in recent days and stoked inflation concerns. Government bond yields also firmed in early trade, reflecting unease in domestic markets, before paring gains after central bank intervention.

The local currency recovered part of its losses to close at 92.15 per dollar, down 0.71 per cent from the previous close, after the Reserve Bank of India intervened through dollar sales, dealers said. They added that the central bank stepped up its intervention after the rupee breached the 92 mark, a level it had so far protected.

This marked the Indian unit's fourth sharpest fall in the current financial year, during which the currency has depreciated 7.25 per cent. In 2026, it has declined 2.46 per cent.

The rupee remained under pressure as Brent crude prices stayed at elevated levels, while

Under pressure

₹ vs \$ spot (Inverted scale)



Source: Bloomberg

Currency	1-day chg (%)
Indian rupee	-0.73
Philippine peso	-0.24
Hong Kong dollar	-0.14
Indonesian rupiah	-0.12
Singapore dollar	0.19
Chinese renminbi	0.29
Japanese yen	0.39
South Korean won	1.39

Breaching key levels

₹ vs \$ Trading days

Range	Trading days
87-88	137
88-89	55
89-90	8
90-91	9
91-92	51

global equities retreated as investors assessed the risk of a sustained rise in oil prices.

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weight by almost the highest margin ever and the Sensex is the cheapest in gold terms," he said.

Stocks with direct or indirect exposure to West Asia and to energy costs bore the brunt of the selling. Engineering group Larsen & Toubro, which has significant projects in the region, fell 4.5 per cent after a near 5 per cent drop in the previous session.

Oil marketing companies Bharat Petroleum Corporation, Hindustan Petroleum Corporation and Indian Oil Corporation each declined about 5 per cent. Airline and hotel stocks also weakened as carriers cancelled flights to parts of West Asia and

₹ slips to 92.3 vs \$; RBI buys govt bonds

Furthermore, the dollar index strengthened to 98.96 from 98.22. It measures the greenback against a basket of six major currencies.

"The rupee's fall was driven by the sharp rise in crude oil prices and a broader shortage of dollar liquidity in global markets amid the escalating conflict involving Iran, the US and Israel," said Anindya Banerjee, head of currency and commodity research at Kotak Securities. "We expect the RBI to intervene periodically to contain excessive volatility and prevent a disorderly depreciation in the rupee. However, as long as crude oil prices remain elevated, the rupee could continue to face depreciation pressures."

He expects the currency to trade in the 91–93 range in the coming days. India's balance of payments deficit widened to \$24.4 billion in the October–December quarter, compared with a

Europe.

"The Iran crisis transmits to global equities through three principal channels -- a rise in equity risk premia, energy market disruption and foreign exchange adjustments," said Hou Wey Fook, chief investment officer at DBS. "The initial reaction is typically a repricing of uncertainty, with investors demanding higher compensation for geopolitical risk and volatility rising."

Historically, he added, geopolitical shocks have tended to exert sharp but short-lived effects, with markets stabilising as attention returns to growth and earnings.

surplus of \$4.5 billion in the same period a year earlier, a shift likely to weigh on the currency in the coming days.

"With current oil levels, our BOP and current account deficit are bound to deteriorate unless the Iran war ends quickly enough. Foreign portfolio investors have been sellers and dollar buyers since the end of February, and the situation has only aggravated now," said Anil Bhansali, executive director and head of treasury at Finrex Treasury Advisors.

Market participants said the key variable to watch is the status of the Strait of Hormuz, a vital conduit for global crude shipments. Prolonged disruption along this route could push oil prices higher, intensifying external pressures and potentially driving the dollar-rupee pair further up. Conversely, a swift de-escalation and the resumption of normal shipping through Hormuz could temper crude prices, offering

some relief to the rupee.

In the bond market, the yield on the benchmark 10-year government security rose to 6.73 per cent in early dealings as traders trimmed positions amid the weakening currency. The central bank subsequently bought bonds in the secondary market, helping ease yields, dealers said. The 10-year yield settled 1 basis point lower than the previous close of 6.68 per cent.

"Most participants had

cut losses, but towards the end of the session the RBI purchased heavily, both in the bond market and in the foreign exchange market," said a dealer at a primary dealership.

The central bank bought ₹2,815 crore of government bonds in the secondary market on February 18, the latest data showed. In the week ended January 23, it had purchased ₹12,655 crore of bonds in the secondary market.

War shadow on Gulf's glittering wedding season

Beyond Dubai and Abu Dhabi, Bahrain, Doha, Muscat, and Fujairah, which have witnessed tremendous growth as wedding destinations in recent times, have also been impacted, the event management companies say.

According to a study by Future Market Insights, the Gulf Cooperation Council destination wedding sector is projected to reach \$9.5 billion by 2036, up from \$4.0 billion in 2026, expanding at a compound annual growth rate (CAGR) of 8.9 per cent. Industry players had attributed the boom to the expansion of five-star properties and relatively competitive pricing compared to destinations such as Italy, Greece and Vietnam.

For now, all such projections are on hold.

While some families have cancelled or put off the plans, others have shifted celebrations back home. A couple from Ludhiana, scheduled to wed in Dubai in the second week of March, is reported to have relocated the event to Chandigarh. Guests had already booked tickets and the hosts had

arranged a two-day stay in Dubai.

Mirchandani says his team is now exploring alternatives. "We are planning to travel to India to assess if the wedding can take place there," he says, adding that flights are currently limited. Though Dubai and Abu Dhabi remain safe, visible fireworks have added to the anxiety, he adds.

The financial impact is substantial. "Hotels are being cooperative and refunding some amount, but we had called artistes from other countries. Those payments were made by the families," Mirchandani says. Satankar estimates that for March-April weddings, nearly 80 per cent of payments had already been made. In some late-April cases, guests have cancelled attendance. "The scepticism is not limited to the hosts. The guests are also cancelling their plans," he says.

Silva says while enquiries continue, confirmations have stalled. "People are understandably hesitant to commit in such an unpredictable environment. This makes long-term planning