

# ₹ hits 7-month peak vs \$, slips on RBI intervention

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The rupee briefly appreciated past the 84 mark against the US dollar in early Friday trade, hitting an intraday high of 83.76 — a seven-month peak — on the back of foreign inflows into domestic equities, before paring gains as the Reserve Bank of India stepped in to buy the greenback, according to dealers.

The RBI may have intervened to the tune of \$3 billion, dealers said. The local currency breached the psychologically key 84-per-dollar level for the first time since October 17, 2024.

The rupee, however, ended at 84.55 per dollar, slightly weaker than Thursday's close of 84.49.

"The rupee appreciated in the morning because inflows and stop-losses were triggered, taking it beyond 84. Then, there was heavy

## CREST AND TROUGH

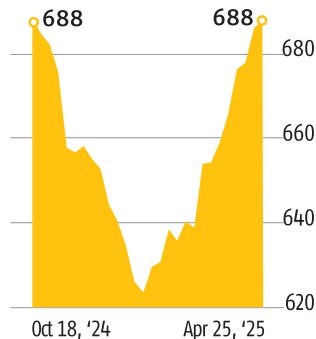
(inverted scale)



■ Friday's intraday peak for ₹ of 83.76 vs \$ is the highest since Sep 30, 2024, when it had touched 83.71

## FOREX KITTY AT 7-MTH HIGH

(\$ bn)



Source: Bloomberg

intervention of around \$3 billion by the RBI, taking it toward the closing level," said a market participant.

Meanwhile, the coupon on the new 10-year government bond

was set at 6.33 per cent, in line with market expectations. It quickly became the second most liquid bond among on-the-run gilts.

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# India's forex kitty hits 7-month high at \$688 bn

The benchmark 10-year bond yield closed unchanged at 6.36 per cent.

The rupee has appreciated 1.26 per cent against the dollar in the calendar year 2025 so far, and 1.09 per cent in the current financial year. The dollar index — which measures the greenback's strength against six major currencies — fell 0.3 per cent to 99.8 on Friday. "The Indian rupee has appreciated significantly against the US dollar in recent sessions, supported by broad-based dollar weakness and robust foreign institutional inflows into domestic equities, which triggered a wave of stop-losses," said Abhishek Goenka, founder & CEO, India Forex Asset Management, IFA Global. "The move was further amplified by the Reserve Bank of India's limited intervention in absorbing excess dollar supply. Having earlier

tested highs near 87.95, the USD/INR pair has now nearly completed a full retracement of that rally, with the 83.50 level emerging as a key technical support," he added.

The rupee gained 1.2 per cent in April and 1.1 per cent this week.

Market participants said the central bank is expected to remain active in the forex market through dollar purchases aimed at rebuilding reserves, which stood at \$688 billion as of April 25 -- a seven-month high -- up \$1.9 billion from the previous week, according to RBI data. Foreign currency assets were at \$580 billion at the end of the week.

"The RBI was present intermittently buying to control the volatility and not the direction. The forex reserves also rose by about \$2 billion to \$688.13 billion, with RBI buying dollars to take the

reserves near the all-time high of \$705 billion," said Anil Kumar Bhansali, head of treasury and executive director at Finrex Treasury Advisors LLP.

The treasury head at a private bank said: "The RBI has to shore up its reserves because, according to February data, they have a large short position in the forwards market. This is the perfect time to buy dollars when the rupee's trajectory looks good and we have forward maturities coming up." The RBI's net short dollar position in the forward market rose to \$88.7 billion at the end of February from \$77.5 billion in January. Of the total, \$14.7 billion was in one-month contracts, \$18.8 billion in 1–3 month tenures, and around \$45 billion in swaps spanning 3–12 months. The remaining \$10 billion was in swaps of more than one year.

