

₹ sees steepest single-day fall since Jun 8

Becomes worst-performing Asian currency; bond yields jump

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Mumbai, 8 July

The rupee depreciated sharply on Wednesday to witness its steepest single-day fall in a month since June 8 this year, tracking the rise in crude oil prices, dealers said.

Brent crude prices surged nearly 6 per cent and the US dollar strengthened following US President Donald Trump's remarks that the interim peace pact with Iran was "over", reviving concerns over disruptions to West Asia oil supplies.

The domestic currency settled at 95.56 per dollar, against the previous close of 94.97 per dollar. It touched an intraday low of 95.61 per dollar.

State-owned banks sold dollars likely on behalf of the Reserve Bank of India, which limited further fall in rupee.

"The Indian rupee fell the most among Asian currencies, weighed down by a sharp rise in crude oil prices and riskoff sentiment after Trump's remarks about ending the ceasefire with Iran. Geopolitical concerns have lifted the risk premium amid heightened volatility. In the near term, the rupee is expected to face resistance at 95.8 per dollar and support at 94.95 per dollar, with the bias now favouring dollar bulls," said Dilip Parmar, research analyst, HDFC Securities.

While the jump in crude oil prices weighed on all emerging market currencies, the rupee

was the worst-performing Asian currency on Wednesday.

The yield on the benchmark 10-year government bond also surged by 7 basis points (bps) to settle at 6.76 per cent. "The selloff in the (bond) market was due to rise in crude oil prices and US yields in the latter half of the day," said a dealer at a state-owned bank.

The renewed uncertainty has shifted the market's focus back to oil after the rupee had staged some recovery in recent weeks, helped by easing crude oil prices and policy measures aimed at attracting foreign currency inflows.

The rupee has depreciated 4.8 per cent against the US dollar since the Iran conflict escalated, making it one of the worst-per-

forming Asian currencies during the period. The rise in crude prices has also pushed up domestic bond yields, with the benchmark 10-year government security yield rising 10 bps since the war began.

So far in calendar year 2026, the rupee has weakened 5.95 per cent against the dollar, while the benchmark 10-year government bond yield has risen 18 bps. In the current financial year (FY27), however, the rupee is down 0.79 per cent, while the 10-year yield has eased 27 bps. "The RBI was found supporting at 95.50 per dollar and later at 95.60 per dollar. Oil companies and foreign portfolio investors (FPIs) stepped in to buy dollars as oil prices started to rise.