Rupee slips past 94/$, bond yields harden ahead of auction

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The rupee erased early gains to weaken against the dollar on Thursday on higher US Treasury yields, while government bond yields rose ahead of a weekly debt auction as traders took short positions in the benchmark 10-year paper, dealers said. The rupee settled 0.37 per cent lower at 94.04 per dollar, against the previous close of 93.69.

"There was dollar buying by nationalised banks ahead of the consumer price index data release, which pushed the rupee towards 94 per dollar," said a dealer at a private bank. "It opened with a gap in the morning because of a fall in crude and inflows."

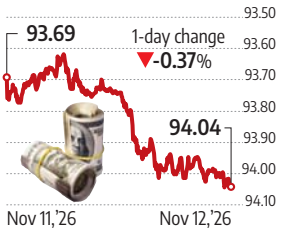
"The rupee surrendered its early gains amid bargain dollar buying and broad-based dollar strength. Aggressive dollar demand from a state-owned bank ahead of the inflation data release pushed the dollar-rupee pair above 94.00," said Dilip Parmar, senior research analyst, HDFC Securities. Rupee fell by 4.43 per cent against the dollar in calendar year 2026, while it has gained 0.82 per cent in FY27. It has gained 0.97 per cent in November.

Brent prices fell over 1 per cent to an intraday low of around $91.20 a barrel following reports of planned US-Iran diplomatic talks and renewed Russia-Ukraine peace negotiations. Prices later rose to trade around $92.31 a barrel, compared with the previous close of $92.73, as concerns over shipping risks in the Strait of Hormuz persisted. Meanwhile, the dollar index traded at 102.88, higher than its previous close of 102.50, after touching an intraday high of 103.09, supported by expectations of further Federal Reserve rate hikes. In the government bond market, the yield on the benchmark 10-year government security rose 3 basis points to 7.25 per cent, while the five-year yield hardened 6 basis points to 6.95 per cent.

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The fall

₹ vs $ spot (inverted scale)



Source: Bloomberg

Markets extend gains for 3rd day

Benchmark equity indices Sensex and Nifty ended marginally higher on Thursday, taking their winning run to the third straight day, amid sustained foreign fund inflows and lower crude oil prices. The 30-share BSE Sensex advanced 31.61 points, or 0.04 per cent, to settle at 81,911.01. During the day, it hit a high of 82,325.61 and a low of 81,576.15.

The 50-share NSE Nifty was up 44.30 points, or 0.18 per cent, to end at 25,299.35. Among the Sensex firms, Bajaj Finance, State Bank of India, Bharat Electronics, Bajaj Finserv, ICICI Bank, and Eternal were the major winners. Hindustan Unilever, Maruti, Power Grid and Tata Consultancy Services were among the laggards. Brent crude, the global oil benchmark, dipped 0.44 per cent to $92.50 per barrel. PTI