

Rupee hitting 100/\$? Not soon, say experts

ANJALI KUMARI &

MANOJIT SAHA

Mumbai, 17 May

Even as the rupee hits fresh lows and remains under pressure, most market participants believe it is unlikely to breach the psychologically significant 100-per-dollar mark anytime soon unless oil prices remain high and foreign outflows continue.

Only two of the seven market participants *Business Standard* reached out to indicated the possibility of the Indian unit touching 100/\$ in the next six months.

The domestic currency slipped past the 96 per dollar level for the first time on May 15, to touch an intraday low of 96.14 against the dollar. This was due to surging crude oil prices, a strengthening greenback, and concerns over India's

Tracking ₹

Institution	(₹/\$)	
	June-end	September-end
IFA Global	96.8	100 (if crude moves beyond \$125 per barrel)
CR Forex	94.5	94
Mecklai Financial Services	96.5	95
Shinhan Bank	94.80-97.75	95.40-98.00
Finrex Treasury Advisors	97-97.5	100 (if FPI outflows continue)
Karur Vysya Bank	95-96	97
Barclays	95	96.8*

* 2026 end

widening trade deficit. The rupee eventually settled at a record closing low of 95.97 per dollar, compared with the previous close of 95.77.

While most participants don't see the rupee hitting 100/\$ mark, they do acknowledge that the fall in recent months was rapid.

"It is not our forecast

[rupee touching 100/\$], to be honest," said Mitul Kotecha, head of FX & EM Macro Strategy Asia at Barclays. When Barclays put out its forecast in March, it was seen to be the most bearish. However, the pace of depreciation was more rapid than what was projected.

Turn to Page 6 ►

Rupee hitting 100/\$? not soon, say experts

“While (rupee reaching) 100 is not part of our published forecast, the pace of the move has clearly been very rapid and dramatic. We have already moved through what were previously considered relatively bearish forecasts,” Kotecha told *Business Standard* during an interaction. Barclays had projected the Indian unit at 95/\$ for June and 96.8/\$ for the year end. “Equity outflows from India were already very strong before the war. Importer dollar buying was already very significant prior to the war. These factors were already in place, but it is very clear that since the end of February, when the war started, the pace of rupee depreciation has accelerated,” Kotecha added.

According to dealers, sentiment in the currency market has turned decisively bearish amid continuous dollar demand from oil importers and sustained foreign fund outflows, even as the Reserve Bank of India (RBI) is believed to be intervening intermittently through state-run banks to curb excess volatility.

“It is extremely difficult to put a timeline as everything is contingent on oil prices,” said Abhishek Goenka, founder and chief executive officer of IFA Global. “If crude stays in the \$90–125 per barrel range, we could get there in about six months to a year. If crude breaks and sustains above \$125 per barrel, we may reach those levels quicker, possibly by September-end,” he said.

Brent crude oil prices climbed to around \$109 per barrel on Friday amid escalating geopolitical tensions and uncertainty surrounding the Iran conflict. At the same

time, the dollar index rose to 99.30 from 98.51 in the previous session, adding pressure on emerging market currencies.

India’s merchandise trade deficit widened to \$28.38 billion in April as imports grew faster than exports, intensifying concerns over the country’s external position. The rupee has depreciated 6.35 per cent in the calendar year 2026 so far and weakened 1.21 per cent since April.

“Exporters are reluctant to hedge. There are broadly two camps in the market now, those who are long on dollar-rupee and those waiting on the sidelines expecting some intervention or reversal. Very few are thinking of shorting dollar-rupee at this point,” Goenka added.

Market participants said that any sharp depreciation towards the 100 per dollar level may prompt policy responses from the government and the RBI, similar to measures introduced during the 2013 currency crisis.

Anil Kumar Bhansali, head of treasury and executive director at Finrex Treasury Advisors LLP, said the authorities may need to consider measures to attract foreign currency inflows if the current trend of persistent outflows continues, drawing parallels with the schemes introduced during the 2013 currency crisis.

He said the rupee could weaken towards the 97 per dollar- 97.50 per dollar level by June-end if crude oil prices remain above \$90 per barrel, while the possibility of the currency touching the 100-per-dollar mark by September or October cannot be ruled out if prevailing conditions persist.

