

Rupee bounces back, appreciates 65 paise

Our Bureau
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The rupee on Wednesday reversed a five-day losing streak, rebounding sharply, apparently aided by the RBI's aggressive intervention in the forex market.

The Indian unit strengthened about 65 paise to close at 90.38 per US dollar against the previous close of 91.0275.

The \$5 billion that the RBI sucked out from the market via the three-year buy-sell swap auction, which was conducted on Tuesday, seems to have come in handy to intervene in the market and pull back the rupee.

RBI OPERATIONS

Amit Pabari, MD, CR Forex Advisors, observed the recovery in the rupee appears to be linked to RBI's recent



liquidity and market operations rather than any sudden change in fundamentals.

Referring to the RBI conducting a dollar/rupee buy-sell swap, he said historically, such operations have often been followed by a phase of rupee appreciation.

Pabari noted that a similar setup was seen in early 2025, when the rupee was under comparable pressure. Despite rate cuts and liquidity injections, which would nor-

Rupee rebounds



mally be seen as rupee-negative, the RBI later used the space created by these measures to sell dollars in the spot market and rein in extreme moves. The rupee subsequently stabilised and strengthened over the following months.

"Something along those lines seems to be playing out again. The sharp move from 91.07 to 90.02 suggests that the RBI may be stepping in to smooth volatility and signal

discomfort with one-way moves, rather than targeting any specific level. Current levels appear attractive for importers to buy dollars, while exporters may prefer to stay patient as the dollar/rupee pair could still face selling pressure in the near term," he said.

Dilip Parmar, Senior Research Analyst, HDFC Securities, said the Indian rupee appreciated after a five-day losing streak, bolstered by suspected aggressive intervention from the Central bank. Meanwhile, the US dollar gained strength against its peers despite lacklustre US employment figures on Tuesday.

Parmar said high volatility is expected in the forex market amid shifting economic and geopolitical headlines. Technically, dollar/rupee has immediate resistance at 90.60 and support at 89.70.