

# ₹ logs worst day in nearly 2 mths

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The rupee witnessed its sharpest single-day decline in around two months since November 21, 2025, due to demand for dollars among importers, said dealers.

The maturing short positions in the non-deliverable forwards market further weighed on the local currency. Market participants said that the Reserve Bank of India (RBI) intervened in the foreign exchange market via dollar sales which capped further losses. The rupee closed the day at 90.82 per dollar, against the previous close of 90.30, down 0.58 per cent.

The Indian unit was the worst performing Asian currency on Friday. The domestic unit depreciated by 5.94 per cent against the dollar in the current financial year so far. In January, it witnessed 1.09 per cent fall so far.

"The short positions were scheduled to mature and RBI took delivery which led to depreciation beyond 90.30 per dollar. This was acting as resistance and there was importer



demand for the dollar," said a dealer at a state-owned bank.

"The pressure will remain on the rupee because of foreign institutional investor (FII) outflows. The RBI intervened to avoid steep depreciation beyond the record low," he added. According to the latest data, the central bank's outstanding net short dollar position in the rupee forward market rose to \$66.04 billion by the end of November. This is against \$63.6 billion at the end of October.

Of the \$66 billion net short dollar position, \$18.8 billion was in one-month contracts and \$16.8 billion in

## How units fared

Major Asian currencies against \$

	(Price of \$1)	Change %	
	Jan 16, 2026	YTD	1-day
Indian Rupee	90.87	-1.09	-0.63
Hong Kong Dollar	7.80	-0.22	-0.03
China Renminbi	6.97	0.28	-0.03
Singapore Dollar	1.29	-0.19	0.03
Japanese Yen	158.08	-0.87	0.35

Compiled by BS Research Bureau; Source: Bloomberg

1-3 month tenures. The \$2.1 billion position is set to mature between three months and a year, and the remaining \$28 billion was in more than a year's contract.

"The RBI has been seeking to increase the average maturity by allowing shorter-tenure positions to mature and by taking fresh positions at longer tenures. This is mainly through three-year contracts," said the treasury head at a private bank.

The absence of any development on a trade deal with the US continues to keep the sentiment low in the foreign exchange market, said dealers.

"As RBI bought dollars, the market would have got itself short and more buying is expected on Monday and Tuesday while RBI would have ammunition to keep selling at higher levels. Foreign portfolio investors (FPIs) have continued to sell in Indian equities leading to capital outflows which has been increasing as days pass," said Anil Kumar Bhansali, head of treasury and executive director, Finrex Treasury Advisors LLP.

"Since June 2025, the India-US trade deal — despite being very close to being done — has not fructified. This has prompted FPIs to sell in debt, and recently equities, too. The deference of Indian bonds into the Bloomberg Index to June has not been helpful as good inflows could have come through that route," he added.

Bloomberg Index Services had said on Tuesday that it has postponed the inclusion of Indian bonds in its Global Aggregate Index. It cited the need for further assessment of operational and market infrastructure issues. It said an update will be provided in mid-2026.