Rupee shy of new low; RBI steps in to curb excess volatility

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The rupee fell for the fifth consecutive session on Tuesday due to persistent outflows from equities amid global riskoff sentiment, said dealers. The Reserve Bank of India (RBI) likely intervened in the foreign exchange market via dollar sales that avoided new low for the local currency.

The rupee fell up to 91.06 per dollar during the day, just shy of record low of 91.08 against the dollar. It settled at 90.98 per dollar, against the previous close of 90.92 per dollar. The Indian unit hit all-time closing low of 91.03/$ on December 16, 2025.

"Continued global uncertainties, including US pressure on Greenland, have led to a riskoff sentiment in markets," said Sameer Karyatt, executive director and head of trading at DBS Bank India.

"This has led to strong demand for precious metals, with gold and silver prices touching an all-time high. The riskoff sentiment, along with strong offshore hedging in USD-INR, has led to USD-INR touching 91 per dollar. The current macro environment is likely to maintain depreciating pressure on the rupee," Karyatt said.

The local currency has depreciated 6.05 per cent in the current financial year, so far. In January, it fell 1.21 per cent against the dollar.

Rupee is seen remaining sensitive to corporate demand for dollar and portfolio flows, with market participants remaining cautious amid lack of positive cues, said dealers. "There is no positive cue for the market, and dollar demand is there. The RBI intervened at 91 per dollar mark," said a dealer at a state-owned bank.