

₹ nearly reverses 2025 decline vs \$

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Mumbai, 24 March

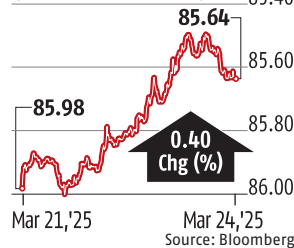
The rupee gained for the ninth consecutive trading session on Monday to close at a nearly three-month high, on the back of persistent dollar sales from foreign banks, erasing almost all the losses incurred during 2025.

The rupee appreciated up to 85.49 against dollar during the day, the highest since December 30, 2024, before settling at 85.64 per dollar, against the previous close of 85.98 per dollar. The domestic currency, which appreciated by 2.19 per cent in March so far, was the best-performing currency among its Asian peers in the current month. However, the rupee has depreciated by 2.61 per cent in the current financial year, whereas it has seen 0.03 per cent depreciation in the current calendar year.

“This strength was support-

MONDAY GAINS

(₹ vs \$ in inverted scale)



ed by sustained foreign inflows, strong corporate repatriations ahead of the financial year-end, and persistent dollar selling by foreign banks,” said Abhishek Goenka, founder and chief executive officer of India Forex & Asset Management (IFA Global). “Adding to the positive sentiment, the Reserve Bank of India’s \$10 billion forex swap auction saw bids more than double the offer size, with a cut-off premium of ₹5.86.”

The RBI received bids worth \$22.28 billion at the USD/INR

buy-sell swap auction, against the notified amount of \$10 billion. The RBI’s outstanding net short dollar position in the forward market rose further to \$77.5 billion by the end of January, against \$67.9 billion at the end of December.

“The forward positions could have increased further after the swap auctions we saw in February and March. But I don’t think it would have touched \$100 billion, but somewhere around \$90 billion-\$95 billion,” said a dealer at a state-owned bank. Market participants said unwinding of speculative long-dollar positions further aided the rupee.

Market participants said the rupee would continue to strengthen against the US dollar until the end of FY25. However, it may begin to weaken once foreign investors are expected to pull out of domestic markets with the start of the new financial year.

e-RUPI voucher issuance surged in February; redemption in slow lane

While issuance of e-RUPI vouchers by banks surged in February, driven primarily by state-owned Indian Bank and State Bank of India, redemptions of such vouchers were quite muted, data released by the National Payments Corporation of India show. e-RUPI voucher is an end-to-end digital solution to sponsor benefits and services to beneficiaries. It is a purpose

and person-specific digital voucher that can be redeemed at any merchant centre enabled for e-RUPI acceptance.

According to the data, Indian Bank generated 507,550 e-RUPI vouchers in February, followed by SBI with 126,810, both surpassing their January figures. However, only a small number of cumulative issued e-RUPI vouchers were redeemed.

AJINKYA KAWALE

REDEEMED

Bank	Creation volume			Redemption volume		
	Feb '24	Jan '25	Feb '25	Feb '24	Jan '25	Feb '25
Bank of Baroda	1,920	1,257	2,033	1,587	1,131	1,915
HDFC Bank	10,258	2,692	2,632	-	1,585	1,592
ICICI Bank	2,427	1,915	2,112	1,478	1,439	1,251
Indian Bank	7,742	110,625	507,550	7,033	20,203	42,998
SBI	75,369	106,084	126,810	35,277	67,221	82,264

Source: National Payments Corporation of India