

Rupee likely to gain currency in Apr-Jun

Govt bond inclusion in JP Morgan index to boost \$ inflows, say economists

ANJALI KUMARI
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The rupee, having depreciated 0.6 per cent against the US dollar in March, so far, is likely to rebound in April, largely on the back of foreign inflows ahead of India's government bond inclusion in JP Morgan's Government Bond Index-Emerging Markets (GBI-EM), set to begin at the end of June 2024.

By the close of April, the local currently is projected to hover around the 83 per dollar mark, according to a *Business Standard* poll of nine respondents.

"In the near term, dollar strength could persist with the risk of Federal Reserve rate cut getting delayed if core inflation in the US remains firm. The sharp upward move in the USDINR on Friday reflects the impact of dollar strength resurfacing," said Gaura Sengupta, economist at IDFC First Bank. "That said, we expect INR appreciation in FY25 with a pick-up in capital inflows with India's inclusion into the JP Morgan EM bond Index. Moreover, the current account deficit is expected to be moderate in FY25, assuming crude oil price averaging at \$85 per barrel."

On Friday, the Indian rupee hit a new low of 83.43 against the US dollar, a result of weakness among its Asian counterparts and sustained demand for dollars from local importers.

While domestic fundamentals remain robust, external factors continue to exert pressure on the Indian currency. In the current financial year, the rupee has depreciated by 1.5 per cent, and by

STRENGTH TO STRENGTH (₹ VS \$)



April end
Median
82.90-83.00
Mode 83

April end	Institution	June end
83.10	Karur Vysya Bank	83.40
83.00	IDFC First Bank	82.50
82.75	Kotak Mahindra Bank	82.50
82.80-84.00	Shinhan Bank	82.50-84.20
83.50	Finrex Treasury Advisors LLP	84.20
83.70	CR Forex	82.00-82.20
82.90-83.00	Mecklai Financial Services	82.75-83.00
82.90	IFA GLOBAL	82.60
83.00	Kotak Securities	-

0.3 per cent in the current calendar year. It fell 7.8 per cent in the previous financial year (FY23). In CY23, the Indian currency experienced a marginal depreciation of 0.6 per cent against the greenback, marking the least volatility seen in nearly three decades.

Abhishek Goenka, chief executive officer at IFA Global, expects a steady influx of passive inflows into debt markets as the bond index inclusion nears implementation. "Inflows into the bond markets are already on the course to be positive for 12 consecutive months in this financial year. We expect overseas borrowing-related flows to pick up as it is now clear that the Federal Reserve is done with its rate hikes and rate cuts seem to be on the horizon," Goenka said.

India's foreign exchange reserves, according to the latest Reserve Bank of India data, stand at a record high of \$642.49 billion. This covers nearly 11 months of projected imports for 2023-24 and over 100 per cent of total external debt outstanding at the end of

September 2023. Foreign exchange reserves act as a shield for the exchange rate during periods of volatility.

"Moreover, we expect the RBI to continue to wield significant influence over volatility in Rupee with the kind of forex reserves it now possesses. We expect the broader dollar to weaken gradually and therefore, we do not see the rupee depreciating considerably from current levels," Goenka further said.

For the financial year 2024-2025, the rupee is projected to trend upwards, primarily due to a substantial balance of payments surplus and an anticipated cycle of rate cuts by the Federal Reserve. Also, foreign portfolio investment (FPI) inflows into the debt markets are set to receive a boost with India's inclusion in the JP Morgan EM bond index, slated to commence by the end of June 2024.

Foreign direct investment (FDI) and external commercial borrowings (ECB) are also expected to increase once the Federal Reserve initiates its rate cut cycle.

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Google Play billing system comes under RBI scanner

The decision was prompted by complaints from a number of startups to the CCI, alleging that the tech giant was not complying with its earlier ruling of allowing third-party billing services for in-app purchases

However, in a reprieve for the tech giant, the Commission recently declined an interim relief that would have prevented Google from levying service fees on app developers until a final decision is reached.

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However, a potential risk to the rupee's appreciation trajectory lies in the event of a delay in the Federal Reserve's rate cut cycle, particularly if core inflation in the US remains elevated.

The US Federal Reserve retained its projection for three rate cuts through 2024 in its meeting last week.

By the end of the first quarter of 2024-25, the majority of participants anticipate the rupee to appreciate further toward ₹82.50 per dollar.

"By the end of the first quarter, we anticipate the rupee to align more closely with its underlying fundamentals. With India boasting the title of the fastest-growing economy globally, coupled with indicators -- such as

stable inflation and robust manufacturing and services PMI -- alongside a favorable environment for both FPI and FDI flows, there appears to be no significant rationale for the rupee to linger near its all-time lows," said Amit Pabari, managing director at CR Forex.

Hospital stays are becoming shorter by the day as pain management improves



Budhiraja said reduced ALOS had helped with better turnaround time, more bed utilisation, and making more beds available to a larger patient base as beds are freed up.

"The incremental revenue is also a byproduct," he added.

Shortage of ICU beds is always a challenge and stepping down the patients early helps with freeing up beds for other critically ill patients, he said.

ICUs were 10 per cent of hospital beds earlier, said Panigrahi. With health care becoming more advanced