MARKETS

Rupee jumps to a five-month high of 84.49 on foreign inflows

The rupee posted its biggest one-day gain of the year as foreign investors bought Indian shares and bonds and the dollar weakened.

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Rupee firms to 87.9 against the dollar on foreign inflows

In 60 seconds

1. The rupee rose about 0.9% to close at 84.49 per dollar, from 85.25.
2. It was the rupee's biggest single-day gain of 2025 so far.
3. Foreign inflows into Indian shares and bonds drove the rise.
4. A weaker dollar and hopes of a US trade deal also helped.

The Indian rupee rose about 0.9% against the US dollar on Wednesday to close at 84.49, up from 85.25 in the previous session, its strongest level in about five months.

Its best day of the year

It was the rupee's biggest single-day gain of 2025 so far. Currency dealers said the main driver was money flowing into India from foreign portfolio investors, who were buying both Indian shares and government bonds.

Other tailwinds

A weaker US dollar against major currencies also helped, as did hopes that India and the United States would reach a trade deal, reducing the risk of higher US tariffs on Indian goods.

> *Foreign money returning to Indian markets has turned the rupee from a laggard into a gainer.*

What a stronger rupee means

A stronger rupee makes imports, including crude oil, cheaper, which can help keep inflation down. It also lowers the cost of foreign travel and overseas education for Indian families.

For exporters, such as IT companies, a stronger rupee means they receive fewer rupees for every dollar they earn, which can squeeze profits. The Reserve Bank of India usually steps in to smooth out very sharp moves in either direction.