INDIAN ECONOMY 18 October 2026

Rupee rises 31 paise to 94.86 against U.S. dollar

The rupee appreciated against the U.S. dollar supported by the Reserve Bank of India's forex interventions.

Exchange rate movement reflecting the value of the Indian rupee against the U.S. dollar amidst domestic inflation and central bank actions.

KEY EXAM POINTS

- The rupee appreciated by **31 paise** to **94.86** against the U.S. dollar in early trade on October 15, 2026.
- The appreciation was supported by the **Reserve Bank of India**'s structural forex interventions and liquidity-tightening measures.
- India's WPI inflation accelerated to **11.39%** from **9.92%** as per recent economic data.
- Food inflation reached **8.66%** while the Consumer Price Index (CPI) inflation stood at **5.54%**.
- Dual inflation pressures make it challenging for the **RBI** to adopt a dovish monetary policy stance.

DID YOU KNOW..!?

The Reserve Bank of India was established on **April 1, 1935**, under the **Reserve Bank of India Act, 1934**.

The **monetary policy committee** (MPC) is headed by the Governor of the Reserve Bank of India under **Section 45ZB**.

Wholesale Price Index (WPI) in India is published by the **Office of the Economic Adviser**, **Ministry of Commerce and Industry**.

Consumer Price Index (CPI) inflation is compiled and released monthly by the **National Statistical Office** (NSO), Ministry of Statistics and Programme Implementation.

Foreign Exchange Management Act (FEMA) was enacted in **1999** to replace FERA and regulate foreign exchange in India.

The current inflation targeting framework in India mandates the RBI to maintain retail inflation at **4%** with a tolerance band of **+/- 2%**.

REVISION FLASHCARD

RBI interventions supported the rupee appreciation to 94.86 against the U.S. dollar amidst rising WPI and CPI inflation.

Syllabus Relevance: Essential for studying RBI monetary policy, inflation indices (WPI and CPI), and foreign exchange rate dynamics under Unit 6.

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