

Date: April 20th, 2025

Today, I looked at a 5-year chart of the INR-USD exchange rate (taken from Google Finance). Here's what I noticed and understood:

- Back in 2021, the exchange rate was around ₹73–75 per USD.
- Over time, especially from mid-2022 onwards, the rupee gradually depreciated — meaning it took more rupees to buy a dollar.
- The rate crossed ₹85 per dollar in early 2025, showing that the rupee weakened.
- Just recently, there's been a slight drop, meaning the rupee has strengthened a bit compared to its peak.

What I learned from this graph:

- Exchange rate trends are shaped by economic events, inflation, interest rates, global trade, and even wars or political instability.

A depreciating rupee (like in this graph) might mean that:

India is importing more than it exports.

Investors may be pulling money out of the country.

Global uncertainty (like oil prices or US interest hikes) is impacting the rupee.

- The recent strengthening could be due to government/RBI intervention or positive economic news.

Reflection:

Looking at this chart made me realize that a currency's journey reflects a country's story — its struggles, recoveries, and resilience. This small graph actually shows how much can change in five years, and how economics is truly alive and moving every day.