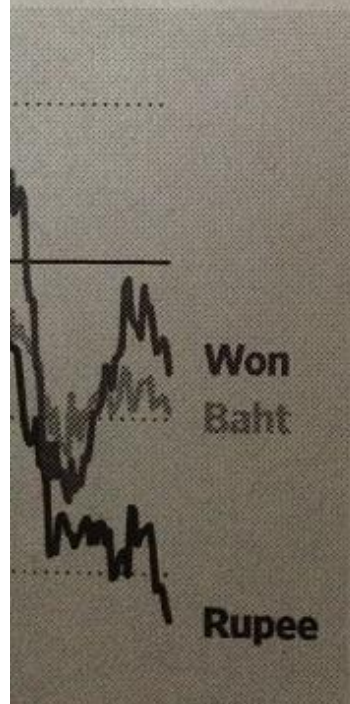


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against currency fluctuations, “the impact might not be very long-lasting,” said Priyanka Kishore, foreign-exchange strategist at Standard Chartered Bank in Mumbai.

Analysts say the attitude of India’s central bank toward its currency has also affected its performance. “While most Asian central banks have historically been more willing to intervene in a bid to reduce currency volatility and slow the pace of currency depreciation, the Reserve Bank of India tends to be a little bit more hands-off,” said Olivier Desbarres, head of foreign-exchange strategy for Asia-Pacific ex-Japan at Barclays Bank.

Reserve Bank Deputy Governor Subir Gokarn said earlier that the central bank doesn’t plan to change its policy of intervening in foreign-exchange markets only in times of excessive volatility.

—Abhrajit Gangopadhyay,