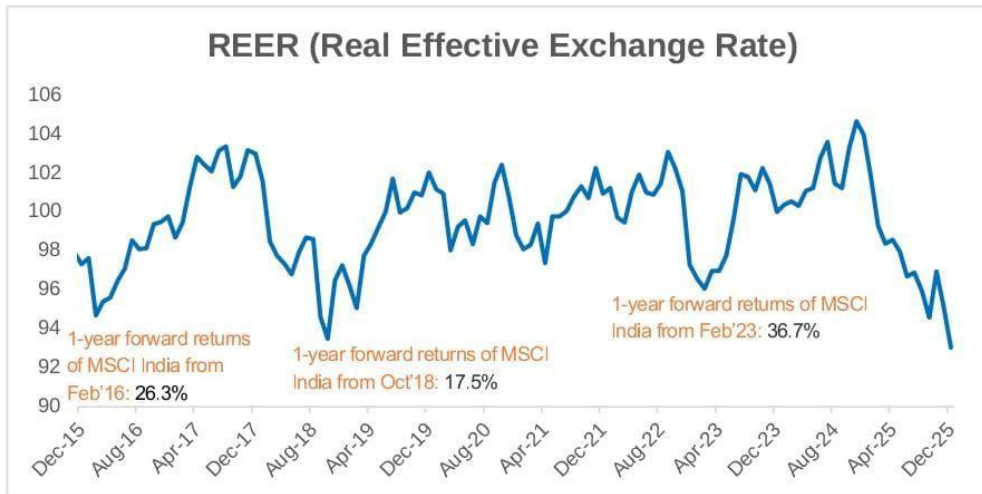


## The Rupee, in Real Terms, Is Cheap Again

One of the more underappreciated developments is where India's Real Effective Exchange Rate (REER) is sitting today. As shown in the chart below, the REER is hovering near levels last seen during periods of heightened macro pessimism over the past decade.



Source: Bloomberg, Total Returns in USD%, Real Effective Exchange Rate represented using the BIS Broad INR Index (BISBINR).