

Rupee makes biggest single day gain of 50 paise in 2022

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The rupee posted its biggest single day gain in 2022 so far, appreciating 50 paise against the dollar, buoyed by a weaker greenback even as indications emerged the US Fed may go slow on rate hikes due to the US economy contracting for the second consecutive quarter.

The Indian unit (INR), which opened about 23 paise stronger, closed at 79.2550 per dollar (USD), against the previous close of 79.76.

Intraday, INR touched a high and low of 79.17 and 79.53 (also the opening price), respectively.

Overall, the rupee has appreciated 60 paise vis-a-vis last Friday's close of 79.8550, with most of the gains coming in today.

Forex market traders said once the rupee appreciated to the 79.36 level from the opening level, exporters started bringing in dollars so as not to lose out on exchange rate gains.

RBI sells dollars

The RBI, too, is believed to have been active in both the spot and futures market, selling dollars. This steered the rupee towards

79.25. The rupee last closed at this level on July 15.

Anindya Banerjee, Vice-President, Kotak Securities, said: "USDINR spot closed 50 paise lower at 79.25, thanks to massive long liquidation post back-to-back GDP contraction in US.

"Over the next week, further liquidation can be seen, but we expect the pair to find strong support near 78.80/90 levels on spot. Range can be between 78.80 and 79.65 on spot."

In a speech delivered last Friday, Reserve Bank of India Governor Shaktikanta Das, underscored that by eschewing sudden and volatile shifts, the RBI has ensured that expectations remain anchored and the forex market functions in a stable and liquid manner.

"We will continue to engage with the forex market and ensure that the rupee finds its level in line with its fundamentals.

"I would like to reiterate that we have no particular level of the rupee in mind, but we would like to ensure its orderly evolution and we have zero tolerance for volatile and bumpy movements," he said.

