

# FED CUT MAY BE DELAYED

## Strong US GDP Data Drives Rupee to Fresh Low of 83.39/\$

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**Mumbai:** The rupee settled at a fresh closing low versus the dollar on Thursday as an unexpectedly strong US GDP estimate sparked speculation that much-awaited monetary policy easing by the Federal Reserve would be pushed further into 2024 as growth in the world's largest economy remains firm.

The rupee lost 7 paise to close at 83.39 to the dollar — a new record closing low. The domestic currency, which has depreciated by 0.8% against the US dollar on a closing basis so far in 2023, had closed at 83.32 on Wednesday.

US government data released after Indian market hours on Wednesday showed that the GDP grew at an annualised 5.2% during the July-September, higher than the 4.9% reported earlier.



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A Reuters poll had estimated that the US July-September GDP growth would be revised up to 5%.

The dollar index, which measures the US currency against six major global currencies, climbed to a high of 103.35 during domestic trading hours, higher than around 102.70 the previous day, currency traders said.

"The US dollar staged a modest rebound backed by stronger growth numbers and against the backdrop of a mild recovery attempt in US yields across the curve. Further weakness in the euro came in response to disappointing figures from the German labour market," said Kunal Sodhani, vice president at Shinhan Bank, predicting a broad range of 83.20-83.60 for the rupee in the coming days. Dilip Parmar, research analyst at HDFC Securities, also cited corporate dollar outflows and an uptick in global crude oil prices as factors that had attributed to the rupee's weakness on Thursday.