

**FIRM GDP DATA**, overseas inflows and hopes of Fed rate pause drive gains in the local unit; Outperforms 10 other local currencies when many others weakened

# Rupee Notches Its Largest Single-day Gain in 2 Months

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**Mumbai:** The rupee on Thursday notched up its largest single-day gain versus the US dollar in almost two months as a better-than-expected domestic GDP growth in the March quarter and rising overseas inflows bolstered the domestic currency.

The Indian currency closed at 82.41 per US dollar on Thursday, gaining 31 paise compared with Wednesday's closing of 82.72 per dollar. It marked the sharpest single-day gain since April 5.

"The Indian rupee strengthened amid stellar economic data and foreign fund inflows," HDFC Securities research analyst Dilip Parmar said. "It has clocked the best single-day gain in almost two months following dollar in-

## Outperforming Asian Peers

Currency	Spot returns vs US dollar % (May 31-June 1)
Indian Rupee	0.38
South Korean Won	0.36
Taiwanese Dollar	0.05
Indonesian Rupiah	0
Thai Baht	0
Malaysian Ringgit	-0.02
Chinese Renminbi	-0.02
Hong Kong Dollar	-0.04
Offshore Chinese Renminbi	-0.05
Singapore Dollar	-0.05
Philippine Peso	-0.19
Japanese Yen	-0.29

Source: Bloomberg

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projected by the government. With the unexpectedly strong data improving the view on the rupee, traders who had bet on the US dollar, rushed to square off those positions. This amplified the gains for the rupee, which climbed past key technical levels on Thursday, currency dealers said.

The positive surprise on GDP growth helped the rupee outperform 10 other Asian currencies on a day when many regional units weakened versus the US dollar, Bloomberg data showed.

Strong economic growth is expected to help further boost foreign investments in the country. Foreign portfolio investors' net investment in Indian equities stood at \$5.3 billion in May, the highest monthly figure since August 2022, data from National Securities Depository Limited (NSDL) showed.

flows and lower commodity prices," he said.

Data released after trading hours on Wednesday showed that India's GDP grew at 6.1%

in January-March, far higher than expectations. Accordingly, the GDP growth for FY23 as a whole is now estimated at 7.2%, higher than 7%