

Rupee Falls 6 Paise to 83.91 Against Dollar

PTI

Mumbai: The rupee declined 6 paise to close at 83.91 against the greenback on Monday on disappointing domestic macroeconomic data.

However, positive domestic markets, wherein both the benchmark indices scaled lifetime high levels and foreign fund inflows cushioned the downside.

Moreover, easing crude oil prices supported the local unit and restricted further slide.

At the interbank foreign exchange market, the local unit opened 2 paise lower at 83.87 against the American currency. It rose to the intra-day high of 83.85 but pared gains and slipped to the day's low of 83.93 before settling at 83.91 against the US dollar, registering a decline of 6 paise over its previous close.

On Friday, the rupee settled for the day higher by 4 paise at 83.85 against the American currency.

"Indian rupee depreciated by 7 paise on Monday on positive US Dollar and disappointing macroeconomic data," said Anuj Choudhary, Research Analyst at Sharekhan by

BNP Paribas.

India's manufacturing sector growth moderated in August as output and sales rose at slowest rates since January, while competitive pressures and inflation concerns hampered business confidence, a monthly survey said on Monday.



The dollar index rise 0.02% to 101.71

The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI) stood at 57.5 in August, below July's reading of 58.1.

"We expect the rupee to trade with a slight positive bias as domestic markets are trading at fresh record highs with fresh FII inflows. A weak tone in crude oil prices may also support the rupee. However, any recovery in the US Dollar may cap sharp upside," Choudhary added.

The dollar index, which gauges the greenback's strength against a basket of six currencies, rose 0.02 per cent to 101.71.

Brent crude, the international benchmark, fell 0.13 per cent to 76.83 in futures trade.