

● BIGGEST SINGLE-DAY FALL IN FY23

Rupee tanks 62p to close at 79.15 vs \$

PRESS TRUST OF INDIA
Mumbai, August 3

THE RUPEE SLUMPED by 62 paise to close at 79.15 against the US dollar on Wednesday, marking its worst single-day fall in the current fiscal, as widening trade deficit and US-China tensions dented the investor sentiment.

While foreign fund inflows and oil prices falling below \$100 per barrel level lent some support to the rupee, renewed rate hike fears following hawkish comments of Fed officials pushed back the rupee to below 79 levels.

On Tuesday, the rupee rallied 53 paise — its best single-day gain in over 11 months — to close at an over one-month high of 78.53 against the US dollar.

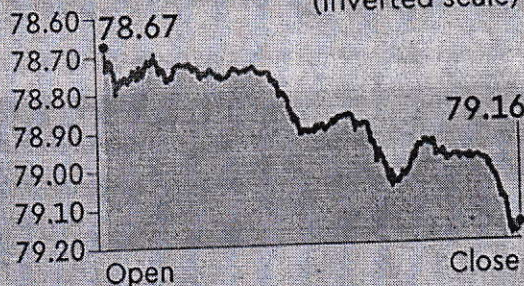
"Rupee traded very weak as the dollar index rose above \$106 on the back of US-China geopolitical issues with regards to Taiwan. Also India's trade deficit widened to an all-time high, sending signals on imbalance of trades, guiding the rupee weaker to dollar," said Jateen Trivedi of LKP Securities.

The Indian rupee has erased all of the gains witnessed in the previous session to drift lower by 0.75% amid concerns about the swelling trade deficit, which has surged to a record high of \$31.02 billion in July, compared to \$26.18 billion in June, Sugandha Sachdeva, vice president, commodity and currency research, Religare Broking, said. The strong advance witnessed in the Dollar Index from the key 105-mark owing to hawkish comments from a trio of Fed officials amid widespread inflationary pressures and rising friction between the US and China have again roiled the sentiment and raised the case for aggressive rate hikes by the US central bank ahead, Sachdeva said.

However, the decline in crude oil prices and foreign fund inflows cushioned the downside. FIIs remained net buyers in the capital market on Tuesday as they pur-

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Intra-day, August 3
(Inverted scale)



10-year bond yield

Intra-day (%), August 3



Bond yields snap 9-day falling streak

YIELDS ON government bond bounced back from a nine-session streak of declines on Wednesday, tracking a spike in US Treasury yields, while investors awaited the Reserve Bank of India's monetary policy decision on Friday. India's 10-year benchmark bond yield ended 5 bps higher at 7.2416%, after rising as much as 7.2526% in early trade. The yield on the most widely watched government bond had dropped 25 basis points in the last nine sessions, and closed at 7.1962% on Tuesday.

— REUTERS

chased shares worth ₹765 crore, according to exchange data.