

# Re falls 26 paise on dollar demand

PRESS TRUST OF INDIA  
Mumbai, June 4

**THE RUPEE DEPRECIATED** for the second consecutive session and settled for the day lower by 26 paise at 85.91 against the US dollar on Wednesday, largely driven by strong dollar demand from importers.

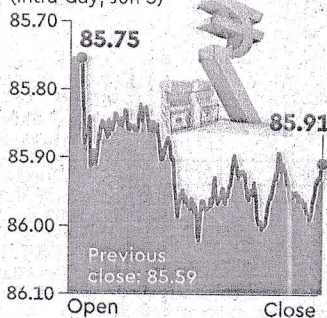
Forex traders said the local unit remained under pressure on geopolitical tensions between Russia-Ukraine and elevated crude oil prices.

The local unit registered the second consecutive session of fall and has lost 48 paise over the greenback.

"The rupee extended its depreciation for a second consecutive day, emerging as the weakest performer among Asian currencies. This decline was driven by strong dollar demand from importers, a lack of intervention, and weaker-than-

## BIAS TURNS POSITIVE

Rupee vs dollar Inverted scale  
(Intra-day, Jun 5)



expected PMI figures," said Dilip Parmar, senior research analyst, HDFC Securities.

Market participants are now

keenly awaiting the outcome of the Reserve Bank of India's monetary policy meeting for direction trade.

Experts are of the view that the RBI may reduce the repo rate by 25 bps on Friday and another similar cut may happen in the next policy. SBI research expects the central bank to go in for a "jumbo" rate cut of 50 bps in June itself.

The dollar index, which gauges the greenback's strength against a basket of six currencies, was trading lower by 0.15% at 99.07.

"Technically, the spot USD-INR has broken out upwards, forming a bullish chart pattern. The bias for the pair has turned positive, suggesting a further appreciation towards 86.50 in coming days, with support now being established at 85.30," Parmar said.