

₹ records best one-day rise in nearly 4 mnths

Adani-related flows, weaker dollar index push ₹ up to one-month high

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Mumbai, 3 March

The rupee strengthened sharply against the US dollar on Friday, registering its sharpest single-day rise since November 11, as overseas investors sold the greenback, largely for investment in Adani group shares, dealers said.

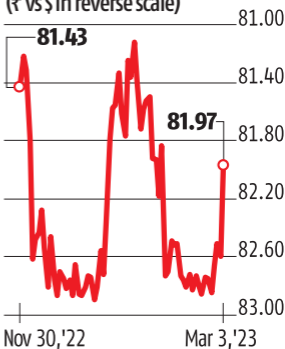
An easing in the US dollar index also boosted the Indian currency, which settled at its strongest level since February 3. On Friday, the rupee closed at 81.97 per US dollar as against 82.59 per US dollar on Thursday. So far in 2023, the Indian currency has appreciated 0.9 per cent versus the greenback.

US-based investment company GQG Partners purchased shares worth ₹15,446 crore (around \$1.9 billion) in Adani Group companies, including Adani Ports and Adani Green Energy. Adani Group jumped 10 per cent after the deal.

“The broad trigger was the inflow for Adani stocks, I wasn’t expecting the rupee to strengthen past 82/\$1 right now. The rupee also typically gains from seasonal factors in March as corporates close accounts, but I don’t see much

UP AGAIN

(₹ vs \$ in reverse scale)



Compiled by BS Research Bureau
Source: Bloomberg

sustained strength from here as the view on US interest rates is still not favourable. The broad range would be 82-83/\$1,” said Bhaskar Panda, executive vice-president of overseas treasury, HDFC Bank.

With the domestic currency strengthening sharply on the back of dollar sales for investment in Adani stocks, some currency traders took advantage of an arbitrage opportunity stemming from higher offshore dollar/rupee rates vis-à-vis the onshore market.

The trade, which involved selling dollars in the domestic market, amplified the rupee’s gains, dealers said.