

Rupee Closes at 6-M High of 82.83 on Strong Inflows, Weaker Dollar

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Mumbai: The rupee on Wednesday closed at its strongest level versus the US dollar in six months as disappointing American economic data caused the greenback to weaken globally while overseas investors deployed funds in local capital markets.

The local unit settled at 82.83 per US dollar on Wednesday, its strongest closing level since September 4, 2023, Bloomberg data showed. On Tuesday, the rupee had closed at 82.90 per US dollar.

Data released on Tuesday after Indian market hours showed that US February Services PMI was lower than market expectations, pushing the dollar index down 0.2%. Weak US economic data strengthens market hopes of the Federal Reserve cutting interest rates sooner than later.

Currency traders and analysts said that steady inflows into debt and equity markets had bolstered the rupee over the past few weeks, with a sharply higher-than-expected domestic GDP print and Bloomberg's decision to include Indian bonds in one its indices boosting the view on local assets.

From February 6 to March 6, the rupee has fared better versus the US dollar than eight other Asian currencies, with the local unit having gained 0.3% versus the greenback over the time period, Bloomberg data showed. Only the Malaysian ringgit and the Philippine peso performed better than the rupee.



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