

Rupee recovers from all-time low, rises 17 paise

PRESS TRUST OF INDIA
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THE RUPEE RECOVERED from its all-time low level and settled for the day 17 paise higher at 83.92 against the US dollar on Tuesday, on likely intervention by the Reserve Bank.

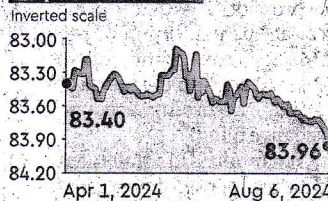
Forex traders said mixed-to-weak global equities on rising concerns over recession fears in the US and the geopolitical tensions in the West Asia dented the investor sentiments. Moreover, the impact of unwinding of the yen carry-trade weighed on the riskier currencies such as the rupee.

At the interbank foreign exchange market, the local unit opened at 83.92 and touched an intra-day high of 83.84 and a low of 83.97 against the dollar during the session. It finally settled at 83.92 against the American currency, up 17 paise from its previous close.

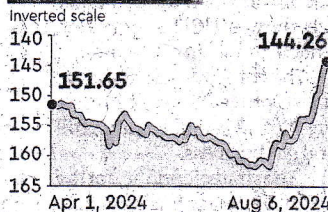
"We expect the rupee to trade with a negative bias on risk aversion in the global markets, amid geopolitical tensions in the Middle East and rising risk of recession in the US which may lead to outflows by foreign investors. However, overall weakness in the US dollar and declining crude oil prices may support the rupee at lower levels.

"Any further intervention by the RBI may also support the rupee. Traders may take cues from trade balance data from the US. Investors

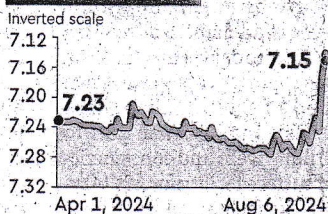
Rupee vs dollar



Yen vs dollar



Yuan vs dollar



Source: Bloomberg

may watch out for RBI's monetary policy decision this week. USD-INR spot price is expected to trade in a range of ₹83.75 to ₹84.20," said Anuj Choudhary - research analyst at Sharekhan by BNP Paribas.

Meanwhile, the dollar index gained 0.37% to 103.07 points.