

₹ logs biggest 1-day gain in over a mnth

REUTERS

7 January

The Indian rupee logged its biggest one-day gain in more than a month on Tuesday as the dollar dipped towards a one-week low, boosting regional currencies, while foreign banks' dollar sales also helped.

The rupee closed up 0.1 per cent at 85.7125 against the US dollar, its strongest daily gain since late-November.

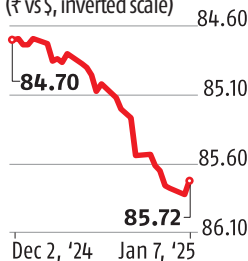
The dollar index fell 0.3 per cent to 107.9, while other Asian currencies rose between 0.2 per cent and 0.9 per cent as traders pondered whether US President-elect Donald Trump's trade tariffs would not be as aggressive as anticipated.

A report by the *Washington Post* on Monday said Trump's aides were exploring tariff plans that would apply to every country but only cover certain sectors deemed critical to national or economic security, prompting a slump in the dollar. Trump later denied the report, helping the dollar trim some of its decline.

The dollar's failure to recover losses "likely indicates two factors: first, the market had been heavily favouring the dollar following a nearly continuous three-month rally; second, a view that there is no smoke without fire," ING Bank said in a note.

THE TREND

(₹ vs \$, inverted scale)



Source: Bloomberg