

Rupee holds firm in face of Trump tariff threats

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THE RUPEE CONSOLIDATED in a narrow range and settled higher by 3 paise at 87.69 (provisional) against the US dollar on Thursday, after US President Donald Trump slapped an additional 25% duty — doubling it to 50% — on Indian goods, denting the market sentiment.

Forex traders said weak crude oil prices and a decline in the dollar index supported the rupee. However, muted domestic markets and foreign fund outflows capped gains.

"We expect the rupee to slide as the trade tariff deal continues to linger with US President Donald Trump doubling tariff on India to 50%, denting market sentiments. A weak tone in the domestic equities and selling by foreign investors may also pressurise the rupee.

"However, the weakness in the dollar and falling global oil prices may support the rupee at lower levels. The USD-INR spot price is expected to trade in a range of 87.50 to 88," said Anuj Choudhary — research analyst, commodities and currencies, Mirae Asset Sharekhan.