

# ₹ gains 1.5% in 3 days on foreign flows

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Mumbai, 11 January

The rupee extended a stellar strengthening streak on Wednesday. It has gained 1.5 per cent so far this week as foreign investment flows continued to hit the currency market and as dollar demand from oil companies shrank, dealers said. The rupee closed at 81.58 per US dollar on Wednesday, as against 81.79 per dollar at the previous close. The domestic currency ended the previous week at 82.78 per US dollar.

Over the past couple of days, the rupee has outper-

formed all its emerging market peers, traders said. This stands in stark contrast to the previous month, when the domestic currency fared worse than all its peers.

“Historically, the rupee has always been peculiar. The nar-

rower it trades, the more lethal it becomes for a breakout either side. Considering DXY (dollar index), Chinese Yuan, and oil, it was expected that the USD/INR pair may trade

below 82 levels with time. Stop losses getting triggered help the rupee appreciate sharply,” said Kunal Sodhani, vice-president of Shinhan Bank (Global Trading Centre).

**Reduced dollar demand from oil firms, lack of RBI dollar buys prop up rupee**

