

Rupee hits fresh intraday low of 84.88 a dollar

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The rupee depreciated to a new low of 84.88 per dollar on Thursday due to selling in domestic equities and a rise in crude oil prices, according to dealers.

Increased demand for the US dollar in the non-deliverable forwards market weighed on the local currency. However, the RBI intervened in the foreign exchange market via dollar sales which avoided further depreciation, they said. The rupee settled at 84.87 per dollar on Thursday, compared to 84.84 per dollar on Wednesday.

“Indian rupee made a fresh low, though it closed almost flat at 84.8675. Demand from the importers continued to keep the rupee weak as inflows were all getting absorbed. The RBI was seen protecting levels of 84.87/88 but will not change the direction of the pair. The range for tomorrow is expected between 84.70/95,” said Anil Kumar Bhansali, head of treasury and executive director, Finrex Treasury Advisors LLP.

Meanwhile, the dollar index was trading marginally lower by 0.1 per cent at 106.22. It measures the strength of the greenback against a basket of six major currencies. Market participants said rupee is likely to touch 85 per dollar, a psychologically crucial mark, by the end of the current month.

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Rupee spot vs \$ (inverted scale)



Source: Bloomberg