

₹ closes at new low against \$

Settles at 83.4/\$ ahead of Fed meet

ANJALI KUMARI

Mumbai, 13 December

The Indian rupee on Wednesday settled at a record closing low of 83.4 against the US dollar due to continuous demand from importers for the greenback ahead of the US Federal Reserve (Fed) meeting, according to market participants.

The Indian currency had settled at 83.39 a dollar on Tuesday. The local currency had witnessed a record low of 83.48 (intraday) against the dollar on November 10.

The dollar index, which measures the strength of the greenback against a basket of six major currencies, rose to 103.95, against 103.78 on Tuesday.

Market participants speculated that the Reserve Bank of India's (RBI's) intervention in the foreign exchange market safeguarded the rupee from further depreciation.

"The rupee depreciated because of the Fed policy on Wednesday,"



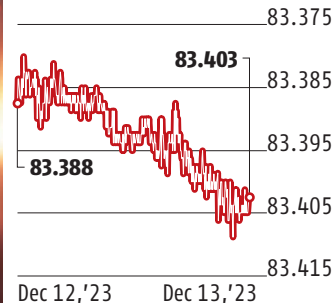
said Anindya Banerjee, vice-president (V-P)-currency derivatives and interest rate derivatives at Kotak Securities.

"The RBI was there in the market; it could have sold \$100-200 billion," he added.

The local currency is expected to depreciate further in December as the demand for the dollar is speculated to continue. "Foreign institutional Investors appeared as buyers, while domestic institutional investors were sellers, contributing

DEMAND PRESSURE

₹ spot vs \$ (inverted scale)



Source: Bloomberg
Compiled by BS Research Bureau

to the rupee's sideways movement. A break on the lower side is more likely, with support around 83.5. A strong close above may signal a weak momentum toward the 83.9-84.2 zones. The upcoming Fed's policy is expected to keep rates stable, but market focus will be on the commentary for potential currency impacts," said Jateen Trivedi, V-P (research), LKP Securities.

In the current financial year (2023-24), the rupee has depreciated by 1.5 per cent, whereas, in the cur-

Gold falls by ₹80, silver down ₹700

Gold prices slipped ₹80 to ₹61,820 per 10 grams in Delhi on Wednesday amid weak global cues, according to HDFC Securities. Gold had closed at ₹61,900 in its previous close. Silver also tumbled ₹700 to ₹75,050 per kilogram. In the international markets, gold and silver were down at \$1,981 per ounce and \$22.70 per ounce, respectively. Spot gold at Comex was trading at \$1,981 per ounce.

PTI

rent calendar year, it has depreciated by 0.8 per cent so far. However, it had appreciated by 0.16 per cent in the first six months of the current calendar year on the back of robust foreign inflows. Meanwhile, the rupee has displayed remarkable stability against the dollar in the current calendar year, marking the least volatility witnessed in over two decades. The local currency experienced a marginal depreciation of 0.78 per cent against the greenback.