

Corporate dollar inflows boost ₹ to 1-month high

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The rupee hit a one-month high against the dollar on Wednesday following corporate dollar inflows, closing the day at 82.1, up 27 paise.

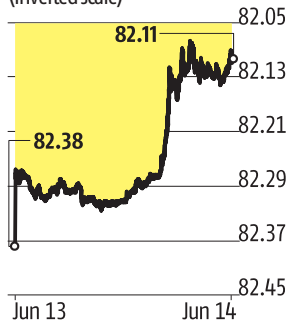
According to dealers, a foreign bank sold dollars on behalf of large telecom companies, which helped the Indian unit post gains.

“Despite the Chinese yuan hitting a six-month low of 7.17 and other emerging market currencies weakening, the Indian rupee showcased resilience today (Wednesday), strengthening 0.40 per cent against the dollar,” said Amit Pabari, managing director, CR Forex. “This positive performance can be attributed to the inflows from foreign institutional investors (FIIs) into the domestic equities market,” Pabari said. So far this financial year, the Indian unit has gained 0.09 per cent against the dollar on the back of healthy foreign inflows, and softening international crude oil prices.

“As Fed, Federal Open Market Committee (FOMC) meeting continues with results awaited tonight, dollar inflows worth \$1.5 billion from a telecom major and a hospital chain hit the market through foreign banks, taking dollar

₹ GAINS 27p

(Inverted scale)



down to 82.05 levels as dollar index neared 103 and Brent oil stabilised near \$75/barrel,” Anil Kumar Bhansali, head of treasury, Finrex Treasury Advisor.

The Reserve Bank of India (RBI) has been active in the foreign exchange market in recent times and mopped up dollars to boost its foreign exchange reserves.

After hitting \$642 billion in September 2021, reserves fell to \$525 billion in October last year amid risk averse sentiment among investors after the war in Europe and interest rate hikes by the US Federal Reserve. The RBI was able to recoup most of the losses as latest data shows the country's foreign exchange reserves were at \$595 billion as on June 2.