

₹ depreciates 48 p to close at 81.26 versus \$



AGENCIES

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The Indian rupee rallied during early session on Monday and depreciated 48 paise to close at 81.26 versus the US dollar, tracking the flat trend in Indian markets.

Forex traders said the sharp fall in the rupee after a promising start on Monday was due to a large part of India Inc purchasing dollars. Dollar demand from corporates increased, with cautionary words on US inflation from a Federal Reserve official keeping the greenback firm. Traders also said rising crude oil prices also weighed on investor sentiments. The dollar index climbed 0.75 per cent to 107.09. The US Dollar Index (USDX) is a relative measure of the US dollar's strength against a basket of six influential currencies: The Euro, Swiss franc, Japanese yen, Canadian dollar, British pound, and Swedish krona.

In domestic markets, S&P BSE Sensex closed 170 points

down at 61,624.15 level while Nifty50 ended with 20 points down at 18,329.15 level.

Foreign Institutional Investors (FIIs) were net buyers in capital markets as they purchased shares worth Rs3,958.23 crore on Monday, according to exchange data.

"It (rupee) may remain weak-to-volatile for a while, but we think the worst is largely over for the currency," Seshadri Sen, Head of Research at asset management company Alchemy Capital Management told ANI.

Sen said the Indian currency had weathered the storm in the face of heavy selling by foreign institutional investors, monetary policy tightening by the US Fed, and the ongoing war in Ukraine which led to high international oil prices. In October, the rupee breached the 83 mark for the first time in its history. So far this year, the rupee has depreciated around 8-9 per cent.

India's industrial output, as measured by the Index of Industrial Production (IIP), grew 3.1 per cent in September, supported by a double-digit increase in electricity generation. There was a contraction of 0.8 per cent in the previous month and a growth of 4.4 per cent in September 2021.