

Rupee at all-time low of 92.45/dollar

Our Bureau

Mumbai

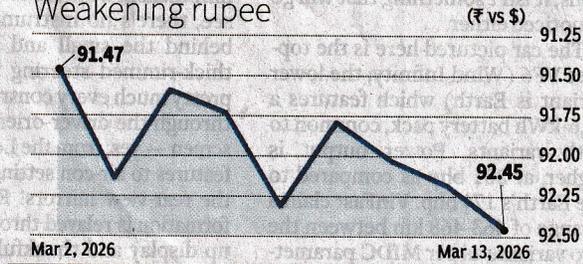
The rupee closed at an all-time low of 92.4550 per US dollar in the week ended March 13, with factors such as the intensifying West Asia war, hardening crude oil prices and FPI-related outflows from the continuously falling domestic equity markets weakening the currency.

The rupee closed the week ended March 13 (Friday) at a record closing low, down 72 paise when compared with the previous Friday's close of 91.74. In the preceding week, the rupee had closed 77 paise weaker.

RBI INTERVENTION

Since the Israel-US alliance war with Iran started two weeks ago, the rupee has weakened about 150 paise.

Weakening rupee



The central bank has been intervening in the forex market, defending the currency at various levels to reduce its volatility against the dollar.

OIL SHOCK

The rupee opened about 16 paise weaker at 92.3450 per dollar on Friday, and hit a high/low of 92.3050/92.4850.

Amit Pabari, MD, CR Forex Advisors, said that a

stronger dollar, coupled with rising oil prices, will exert pressure on the rupee.

"Since the conflict began, currencies of major energy-importing countries have weakened against the dollar, reflecting the higher cost of energy imports and the increased demand for dollars to pay for them," Pabari added.

Dilip Parmar, Senior Re-

search Analyst, HDFC Securities, observed that the rupee weakened for the second consecutive week, settling at a fresh record low as geopolitical worries weighed on the currency.

BULLISH BIAS

"Surging global crude oil prices, driven by escalating tensions in West Asia and sustained foreign fund outflows amid heightened risk aversion, have kept the rupee under significant pressure. Further, aggressive dollar demand from importers and traders intensified as the currency breached the record high," he said.

Parmar noted that spot dollar/rupee maintains a bullish bias, with immediate resistance anticipated between 92.50-92.70 and support at 92.05.