

₹ up for 3rd straight session as \$ weakens

ANJALI KUMARI

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The rupee extended its gains against the US dollar for the third consecutive day, tracking the fall in the dollar index, said dealers. The local currency settled at 85.69 per dollar on Wednesday, against the previous close of 85.77 per dollar.

The rupee has depreciated by 0.08 per cent in the current calendar year so far.

The Reserve Bank of India (RBI) intervened in the foreign exchange market via dollar purchases, which capped the rupee's gains against the greenback, said dealers.

“The rupee gained further (on Wednesday) as the dollar index fell while the euro rose. Foreign portfolio investors (FPIs) seemed to be dollar sellers, buying equity since yesterday. RBI intervened in between and bought dollars at 85.50 to ensure that the rise in the rupee is not significant after it closed at 85.77 yesterday,” said Anil Kumar Bhansali, head of treasury and executive director at Finrex Treasury Advisors LLP.

“There seem to be good enough inflows taking care of any rupee depreciation and, for the moment, it is unable to cross the 86 level,” Bhansali said. The dollar index fell by 0.66 per cent to 99.55 on Wednesday. It measures the strength of the greenback against a basket of six major currencies.

Meanwhile, bond yields fell further ahead of the Reserve Bank of India's open market operation auction on Thursday. The central bank plans to purchase ₹40,000 crore worth of securities via auction.