

# ₹ records all-time closing low of 83.28 against dollar

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The Indian rupee hit a fresh closing low of 83.28 against the US dollar on Monday due to the rise in crude oil prices, dealers said. The previous all-time closing low for the rupee was 83.27, on September 18. The Indian currency settled at 83.26 per cent on Friday.

Market participants speculated that the Reserve Bank of India (RBI) intervened in the foreign exchange market to protect the rupee from weakening further.

State-owned banks sold dollars on behalf of the central bank when the local currency touched 83.28 against the greenback, dealers said.

“The rupee is continuously trading in

the range of 83.10-83.30 for last few days despite retreat of dollar index from a recent high of 107 to 105.30, as the rising crude prices amid the outbreak of armed conflict between Israel and Hamas group and the risk of escalation of this conflict, which is driving the crude prices higher, is pushing the dollar demand from OMCs and central Bank is containing the volatility through selling of dollars,” VRC Reddy, head of treasury at Karur Vysya Bank, said.

The local currency has depreciated by 0.3 per cent in October so far.

It depreciated by 1.2 per cent between July-September. On the other hand, it witnessed 0.2 per cent appreciation in the first quarter. Moreover, it appreciated by 0.16 per cent in the first six months of the current calendar year on the back of robust foreign inflows.

Brent crude oil prices traded above \$90 per barrel on Monday, after rising 6 per cent on Friday amid rising geopolitical concerns in West Asia. If the crude oil prices near \$100 per barrel, the rupee could breach 83.30 a dollar mark, dealers said. Dealers expect that the 83.60 a dollar mark will be the next stop, if the rupee breaches the 83.30 mark.

“The RBI could have sold \$500 million today,” Anindya Banerjee, vice-president — Currency Derivatives and Interest Rate Derivatives at Kotak Securities, said.

“They are protecting 83.30 per dollar level,” Banerjee added.

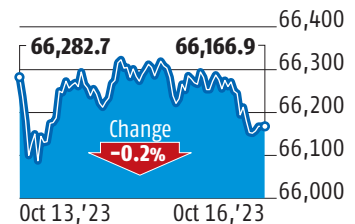
Meanwhile, the higher-than-expected US inflation report spurred investors to anticipate a potential interest rate hike.

However, conflicting signals have emerged as some Federal Reserve officials adopt a dovish stance, creating uncertainty about the path of future rate increases. All eyes are now on Powell’s upcoming speech this week for further clarity. The US CPI annually and monthly for September came in at 3.7 per cent and 0.4 per cent respectively.

According to the CME FedWatch tool, 32 per cent of traders expect the US rate setting panel to deliver a rate hike in December.

## Mkts fall for 3rd day as West Asia tensions mount

### SENSEX INTRADAY



Source: Bloomberg

Benchmark equity indices ended lower on Monday, falling for the third day running, amid weak trends in global markets and spike in Brent crude oil prices due to geopolitical tension in the West Asia.

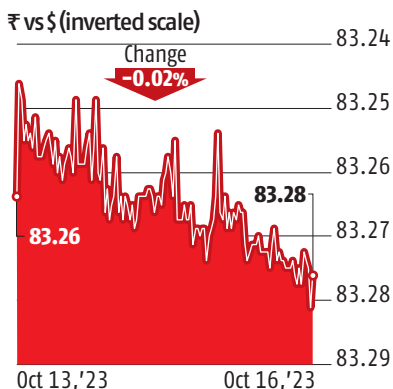
The 30-share BSE Sensex declined 115.81 points or 0.17 per cent to settle at 66,166.93. During the day, it fell 243.36 points or 0.36 per cent to 66,039.38. The Nifty slipped 19.30 points or 0.10 per cent to 19,731.75.

From the Sensex pack, Nestle, Tata Consultancy Services, IndusInd Bank, Asian Paints, Bharti Airtel, Tech Mahindra, UltraTech Cement, Kotak Mahindra Bank and Hindustan Unilever were among the major laggards. Tata Steel, JSW Steel, HCLTech, Axis Bank, Power Grid and Mahindra & Mahindra were among the gainers. In Asian markets, Seoul, Tokyo, Shanghai and Hong Kong ended lower.

European markets were trading mostly in the negative territory. The US markets ended on a mixed note on Friday. Global oil benchmark Brent crude declined 0.39 per cent to \$90.54 a barrel.



## IN RED



Source: Bloomberg