

₹ rises to near 3-mth high of 83 against \$

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The rupee surged 33 paise on Friday to settle near a three-month high of 83 against the dollar tracking gains in domestic equities and weakening US dollar following the US Federal Reserve meeting outcome, market participants said.

The Indian unit opened steady at 83.30 against the dollar. After touching the day's low of 83.32 a dollar in the early trade, the rupee reversed the losses and breached the psychologically crucial level of 83 per dollar to touch the day's high of 82.94 a dollar in the last hour of trade.

The Indian currency had settled at 83.33 a dollar on Thursday. "This upward movement was supported by a robust performance in the capital markets, which saw a 6 per cent rally following the state elections. Additionally, the dollar experienced a bearish drawdown, dropping from 103.30 to 101.75 after the Federal Reserve in the US hinted at potential interest rate cuts of 0.75 basis points in 2024. The broad sideways trend shifts to the rupee with a range between 82.75 and 83.25 against the dollar," said Jateen Trivedi, VP, Research Analyst at LKP Securities.

The local currency had witnessed a record low of 83.48 (intraday) against the dollar on November 10.

The rupee experienced a robust gain on Friday breaking free from its extended consolidation range of 83.20-83.45 against the dollar. Market expects the local currency to appreciate further up to 82.50 by the end of the current calendar year. "The RBI was not present in the market much today. The rupee should appreciate further to 82.50 against the dollar by the end of December," said Anindya Banerjee, VP - Currency Derivatives & Interest Rate Derivatives at Kotak Securities Ltd. The local currency appreciated by 0.5 per cent in December, while it fell by 0.2 per cent in November even though the dollar index fell by around 4 per cent in the same period. Consequently, the rupee emerged as the worst-performing currency among its Asian peers during the month, being the sole currency to depreciate while other currencies appreciated.

In the 2023-24, the rupee has depreciated by 1 per cent, whereas it has depreciated by 0.3 per cent in the current calendar year so far. However, it had appreciated by 0.16 per cent in the first six months of the current calendar year.

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Major gains in ₹ against \$ in CY23



Date	Rupee spot	1-day chg	1-day chg (%)	
Mar 3, '23	81.970	0.623	0.76	
Oct 10, '23	81.788	0.574	0.70	
Jan 18, '23	81.246	0.519	0.64	
Mar 23, '23	82.263	0.404	0.49	
Jan 9, '23	82.361	0.364	0.44	
Feb 3, '23	81.836	0.346	0.42	
Apr 5, '23	82.004	0.328	0.40	
Dec 15, '23	83.001	0.326	0.39	
Jun 1, '23	82.414	0.315	0.38	
Jun 14, '23	82.106	0.270	0.33	

Source: Bloomberg;

Compiled by BS Research Bureau