

₹ gains 52p as foreign lenders make \$ sales

BHASKAR DUTTA

Mumbai, 18 January

The rupee strengthened sharply against the US dollar in late trade on Wednesday, gaining 52 paise as some foreign banks sold the greenback, likely on account of overseas investment into domestic markets, traders said.

The domestic currency closed at 81.25 per US dollar as against 81.77 at previous close, *Bloomberg* data showed. In 2023, the rupee has appreciated 1.8 per cent against the US dollar.

The domestic currency was also boosted by a weaker US dollar index as investors anticipate a slowdown in the pace of the Federal Reserve's rate hikes, given data showing easing inflation in the world's largest economy.

The US dollar index, which meas-

ures the greenback against six major currencies, was at 101.91 at 3:30 pm IST on Wednesday as against 102.39 at previous close.

"There were some flows today, which had come through the foreign banks, it's essentially an FPI flow. We

also did not hear of the RBI being there (to buy dollars) in a meaningful way today," said Bhaskar Panda, HDFC Bank's executive vice-president of overseas treasury.

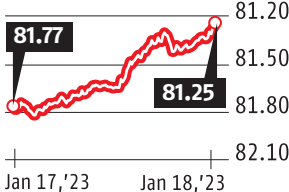
Dealers also cited possible overseas inflows hitting the market ahead of the Rs 20,000 crore follow-on public offer (FPO) of

Adani Enterprises, which is due to open for subscription on January 27.

According to currency traders, a lack of significant purchases of the greenback by the Reserve Bank of India at lower dollar-rupee levels had also propped up the rupee on Wednesday.

BIG GAINS

In reverse scale



Source: Bloomberg

Compiled by BS Research Bureau