

# ₹ settles at fresh closing low of 83.66 against \$

## Buoyant greenback, rise in oil prices lead to the decline

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The rupee settled at a new closing low of ₹83.66 against the dollar, due to the buoyant greenback and overnight rise in crude oil prices, said dealers.

It had hit an intraday record low of ₹83.67 on June 20. The previous record closing low was also witnessed on the same day at ₹83.65.

The rupee had settled at 83.58 on Tuesday. Money markets were closed on Wednesday on account of Muharram.

“The rupee traded weak by 8 paise to ₹83.66, driven by volatility triggers and global market uncertainties. Despite the overall positive trend in the Indian markets, the rupee faced weakness due to US-China trade jitters, which may rise again with the potential re-election of Trump,” said Jateen Trivedi, vice-president, research analyst — commodity and currency, LKP Securities.

He added, “However, Reserve Bank of India’s (RBI’s) norms and interventions have kept the rupee stable. Expenditure and income numbers in the Union Budget are expected to introduce further volatility to the rupee.”

The dollar index was trading higher by 0.09 per cent at 103.83. It measures the strength of the greenback against a basket of six currencies.

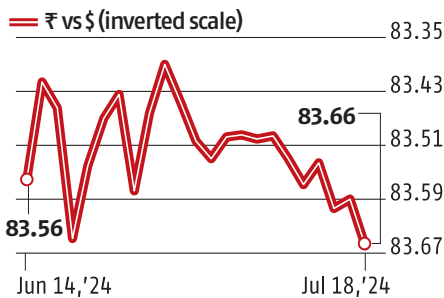
“Importers were buying dollars because of the rise in crude oil prices,” said a dealer at a large state-owned bank. “The next step should be at ₹83.72,” he added.

Market participants said the RBI intervened in the foreign exchange market via dollar sales, which prevented the rupee from further depreciation.

“In dollar-rupee trade, there is a demand almost daily either from oil companies, government debt payment, defence or foreign portfolio investors (FPIs),” said Anil Kumar Bhansali,



### IN THE RED



Source: Bloomberg  
Compiled by BS Research Bureau

head of treasury and executive director at Finrex Treasury Advisors LLP.

“On Thursday, it was a defence deal which took it higher. The RBI intervened at ₹83.60 and later at ₹83.66 but it was not strong enough to bring the pair down,” Bhansali added.

The rupee has depreciated 0.3 per cent in the current financial year, while it witnessed 0.5 per cent depreciation during this calendar year.

During the current month, the local unit has depreciated by 0.3 per cent so far.