

DROPS 13 PAISE

Rupee Closes Below 80 for First Time Against Dollar

PTI

Mumbai: The rupee declined 13 paise to close below the 80 mark for the first time against the US currency on Wednesday due to strong dollar demand from importers amid high crude oil prices.

At the interbank foreign exchange market, the local currency opened at 79.91 and later slid to a low of 80.05 to a dollar.

The rupee traded in a range of 79.89 to 80.05 in the day trade. It finally settled at the day's low level of 80.05, showing a loss of 13 paise over the previous close.

On Tuesday, the rupee recovered from its all-time low of 80.05 to close 6 paise higher at 79.92 against the US dollar following forex inflows and suspected RBI intervention.

Forex traders said significant dollar demand from oil importers, firm crude oil prices as well as concerns about swelling trade deficit weighed on investor sentiments.



"Overall gains in crude in the last few days where Brent has risen again above USD 105 and lack of intervention from RBI has kept the rupee hovering around 80.00. Going ahead rupee will be seen in the range of 79.75-80.25," said Jateen Trivedi, VP Research Analyst at LKP Securities.

The rupee is broadly in downtrend even after measures from the RBI on international payment gateways or import duty hikes on commodity products, Trivedi said.

India's forex reserves stood at USD 580.252 billion, down by USD 27.05 billion from March-end 2022.

"As the dollar index has shown a correction from 109 to 106.50 in a span of week which will hold the rupee's drop in majority," he said.

The dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.11 per cent to 106.56. Brent crude futures, the global oil benchmark, fell 1.73 per cent to USD 105.49 per barrel. On the domestic equity market front, the BSE Sensex ended 629.91 points or 1.15 per cent up at 55,397.53, while the broader NSE Nifty jumped 180.30 points or 1.1 per cent to 16,520.85.