

# Rupee Recovers from Record Lows, Jumps 24 Paise to End at 83.08/\$

Dollar index gains; rise in crude oil prices fuels concerns about local inflation, say currency traders

PTI

**Mumbai:** Staging an impressive rebound from its lifetime low levels, the rupee surged by 24 paise to end at 83.08 against the US dollar on Wednesday, aided by losses in global crude prices and a weak dollar ahead of the US Federal Reserve's policy decision.

Besides, possible intervention by the central bank to check volatility in currency markets also helped the domestic unit, forex traders said.

Halting its four-session losing streak at the interbank foreign exchange, the domestic unit opened strong at 83.22 against the dollar and traded in the range of 83.27-83.06 against the greenback.

The rupee finally closed at 83.08 against the dollar, registering a gain of 24 paise from its previous close.

In the previous session on Monday, the rupee had settled at an all-time low of

83.32 against the dollar.

Currency markets were closed on Tuesday on account of Ganesh Chaturthi.

"The recent rise in crude oil prices had raised concerns about inflation and these concerns were likely to be addressed in the US Federal Reserve's statement.

"The dollar also traded weaker, and there was profit booking observed in crude oil prices, which declined from USD 92.40 to USD 89.50. These factors contributed to the rupee's gains after five consecutive days of losses. The trading range for the rupee is expected to be between 82.75 and 83.35," Jateen Trivedi, VP Research Analyst at LKP Securities, said.

The dollar index, which gauges the greenback's strength against a basket of six currencies, rose 0.14 per cent to 104.68. Brent crude futures, the global oil benchmark, declined 1.19 per cent to USD 93.19 per barrel.

On the domestic equity market front, the BSE Sensex slumped 796 points or



## US YIELDS FALL FROM 16-YEAR HIGHS BEFORE FED RATE DECISION

U.S. Treasury yields fell from 16-year highs on Wednesday before the Federal Reserve is expected to hold rates steady at the conclusion of its two-day meeting, when investors will focus on any new clues for future rate moves. Rising oil prices have increased concerns that the U.S. central bank may need to make additional rate hikes or hold rates higher for longer to bring price pressures closer to its 2% annual target. But yield moves have been relatively muted with the Fed viewed as being near the end of its tightening cycle, but also unlikely to cut rates near term as the labor market remains solid. "We've had some warning signs flash in the economy but not enough to really set expectations for significant weakness coming up," said Thomas Simons, a money market economist at Jefferies in New York. — Reuters

1.18 per cent to 66,800.84, while the broader Nifty declined 231.90 points or 1.15 per cent to end at 19,901.40.

Foreign Institutional Investors (FIIs) were net sellers in the capital markets on Monday as they sold shares worth Rs 1,236.51 crore, according to exchange data.