

₹ sheds 33p on persistent \$ purchases by importers

BHASKAR DUTTA

Mumbai, 24 January

The rupee weakened sharply against the US dollar on Tuesday, giving up 33 paise, as relentless purchases of the American currency by importers, particularly oil companies, towards the end of the month dragged the domestic currency lower.

The rupee settled at 81.72 per US dollar as against 81.39 per US dollar on Monday.

So far this week, the rupee has shed 0.7 per cent against the greenback, making it one of the weakest performing Asian units over the last couple of days, traders said. In the calendar year so far, however, the rupee has appreciated 1.2 per cent against the US dollar.

Outflows of overseas investment from Indian equities also contributed to the rupee's weakness, dealers said, adding that market sentiment was jittery ahead of key events lined up next week including the Union Budget and the US Fed's policy statement. Foreign portfolio investors have net sold \$2 billion worth of Indian stocks so far in January, NSDL data showed.

"The rupee becomes the worst-performing currency among the Asian currencies for the second day in a row. Dollar demand from the importers and weaker domestic equities on the back of foreign fund inflows weighed on the local unit," Dilip Parmar, research analyst, HDFC Securities said.

"USD/INR has retraced back to 100-day simple moving in the intraday... in the near term, the pair has resistance at 82.12, the 200-day simple moving average, and support at 80.95," he said.

