

Rupee declines 5 paise to end at 79.90 vs dollar

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THE RUPEE FELL by 5 paise to close at 79.90 against the US dollar on Friday as stronger American currency and elevated crude oil prices weighed on investor sentiment. However, a firm trend in domestic equities restricted the rupee's fall, forex traders said.

The dollar index, which measures the greenback's strength against a basket of six currencies, was up 0.20% at 107.12.

Brent crude futures, the global oil benchmark, fell 0.56% to \$103.28 per barrel.

"Surge in domestic markets, FII inflows and softening crude oil prices supported the rupee. However, a positive dollar capped sharp gains," Anuj Choudhary — research analyst at Sharekhan by BNP Paribas.

The dollar gained Friday on improved safe-haven appeal amid concerns over the recession and disappointing PMI data from Europe.

According to Gaurang Somaiya, forex and bullion analyst, Motilal Oswal Financial Services, the rupee consolidated in a narrow range after the ECB raised its benchmark deposit rate by 50 bps. "The euro rose after reports of the ECB rate decision. The ECB president said a clear deterioration of the inflation outlook and unanimous backing for the anti-fragmentation instrument justified the bigger move. Euro fell after preliminary manufacturing PMI came below estimates," Somaiya said.

FIIs were net sellers in the capital market on Friday as they sold shares worth ₹675.45 crore, as per exchange data.