

Rupee hits three-week high as US yields ease

THE RUPEE STRENGTHENED to a three-week high on Thursday as a pullback in US Treasury yields helped relieve the recent pressure on Asian currencies.

The rupee climbed to 82.3725 to the US dollar, before easing to end at 82.5750, up from 82.6850 in the previous session.

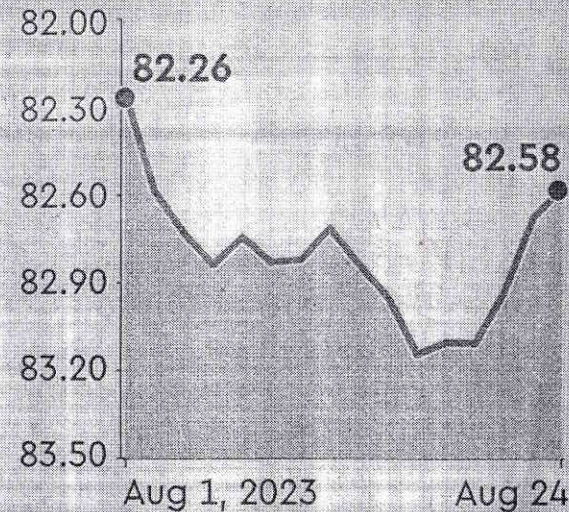
That followed the local unit clocking its strongest single-day gain in two months on Wednesday.

"Today, it was about the momentum from yesterday and a good set of cues for Asia FX overall," said a currency trader at a bank. "Think we'll have a quiet session tomorrow and then on Monday, we will be reacting to Jackson Hole."

US yields have been surging this month on expectations that the Fed will need to hold rates higher for

Rupee vs dollar

Inverted scale



longer. The yields fell following weak U.S. data, with the 10-year dropping 13.6 bps and the 2-year yield shedding 7.2 bps.

Asian currencies also strengthened on Thursday. —REUTERS