

Rupee rises 38 paise

THE TAIWANESE DOLLAR gained the most at 0.81%, followed by Japanese yen at 0.66%.

"The dollar has fallen over the past couple of sessions as West Asia tension eased. The safe haven appeal for the dollar has reduced and investors have become more risk-takers in the market. So, they were remaining active on the rupee. Therefore, weakening dollar, along with FPI (foreign portfolio investor) inflows into the equity market helped the rupee to appreciate in today's session," said Sriram Iyer, senior research analyst, Reliance Securities.

The foreign inflows into the ongoing IPOs (initial public offerings) also supported the domestic currency, said forex dealers. "Foreign inflows were not up to the expectation on Wednesday, which raised concerns. However, inflows picked up today, which helped the rupee. Some foreign banks sold dollars, indicating improved foreign inflows," said a dealer with a state-owned bank.

Going ahead, market participants have a positive bias on the currency driven by weakening dollar and lower crude oil prices. Crude was trading at \$68 per barrel on Thursday.

"I see 85.50 as the key support in the near-term. The RBI will likely step in at 85.50 level as it wants to keep the rupee competitive for exporters," said Iyer.