

Rupee snaps four-day losing streak

Bond yields dip on index inclusion bets, despite report of delay

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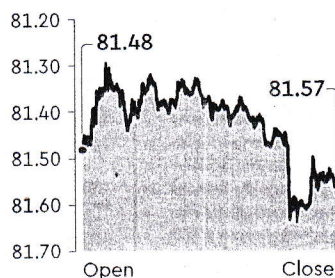
THE RUPEE SNAPPED a four-day losing streak on Tuesday as the dollar eased and oil prices tumbled, but a report stating local bonds may not be considered for listing on a major global index this year capped gains.

The partially convertible rupee ended up just 0.05% at 81.58 per dollar, having touched a session high of 81.31. The currency had hit a record low of 81.6525 on Monday after declining for four straight days.

₹/\$

(inverted scale)

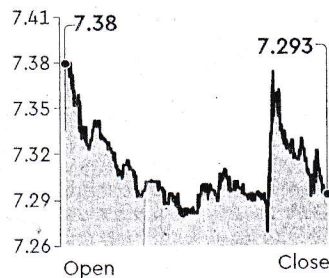
Intra-day, Sept 27



The rupee eased to a near record low and Indian bond yields rose after Reuters exclusively reported local government bonds will likely only be included in the JP Morgan

10-year bond yield

Intra-day (%), Sept 27



emerging market global index early next year as New Delhi still needs to address various operational issues.

There had been a lot of optimism around India's likely inclusion as it

would have brought inflows of around \$30 billion and a decision was expected as early as this month.

"I think there's some hesitancy on India's side about bond index inclusion because it could bring in volatile flows," said Anitha Rangan, an economist with Equirus Group.

Government bond yields ended lower in a highly volatile trading session on Tuesday, as traders added to positions on bets of local debt being included in global indexes, although Reuters reported such a move may happen only in 2023.

The benchmark 10-year Indian government bond yield ended at 7.2915%, after closing at 7.3593% on Monday. The yield traded in a wide 11-basis-points range on Tuesday.

REUTERS