

₹ closes at new low of 83.38 vs \$

Most Asian currencies weaken

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Mumbai, 24 November

The rupee closed at a new low on Friday due to dollar demand from oil companies amid intervention from the Reserve Bank of India (RBI), which prevented the currency from a sharper fall.

Most Asian currencies weakened on Friday, with South Korean won, Taiwanese dollar, and Thai baht leading the pack.

Rupee closed the day at 83.38 against the dollar as compared to previous close of 83.34 per dollar, which is also a previous closing low.

"The Indian rupee was range-bound for the week with importers buying and the RBI selling dollars, thus keeping it in a range of 83.22-83.38. The inflows from initial public offerings (IPOs) also did not have any effect as they got absorbed in the dollar buying," said Anil Bhansali, head of treasury and executive director, Finrex Treasury Advisors LLP.

"Despite the RBI's previous efforts to protect the 83.30 levels, the rupee closed at a record low due to heightened dollar demand from foreign banks on behalf of their custo-



MAJOR CURRENCIES AGAINST \$

	Nov 24, 2023	% change YTD
Mexican peso	17.14	13.79
British pound	0.80	4.07
Euro	0.92	2.04
Hong Kong dollar	7.79	0.09
Indonesian rupiah	15,565.00	0.05
Indian rupee	83.38	-0.77
China renminbi	7.15	-3.57
Malaysian ringgit	4.69	-5.99
Japanese yen	149.49	-12.29
Turkish lira	28.88	-35.22

Source: Bloomberg; Compiled by BS Research Bureau

dian clients," said Abhishek Goenka, chief executive officer, IFA Global.

Some of the Asian currencies that came under pressure were South Korean won (-0.68 per cent), Taiwan dollar (-0.49 per cent), and Thai Baht (0.45 per cent).

"This slide was attributed to increased demand for the US dollar from importers and a general softness in Asian currencies. The dollar index, unable to sustain its lower position, rebounded, contributing to the rupee's weakness," said Rahul Kalantri, VP Com-

modities, Mehta Equities Ltd.

After depreciating over 10 per cent in 2022 following the war in Europe, which started in February 2022 and interest rates hikes by global central banks, the

Indian unit showed remarkable reliance this year, depreciating only 0.8 per cent. In this month, the currency has depreciated 0.1 per cent.

"The USD-INR pair deviates from the global trend. The rupee is expected to underperform during periods of dollar weakness as the RBI would like to

recoup reserves and correct rupee overvaluation," Goenka said.

The Indian central bank has been active in the foreign exchange market to curb volatility. India's foreign exchange reserve kitty, at 596 billion, covers 10 months' of imports projected for 2023-24. The country's foreign reserves swelled around \$34 billion in 2023.

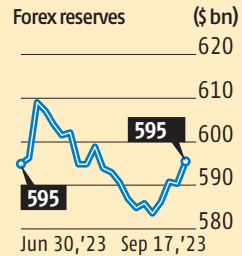
"We anticipate a slightly negative trajectory for the rupee, influenced by global market weaknesses and the prospect of a rebound in the US dollar index. However, inflows from initial public offerings and a weak tone in crude oil prices might offer support to the domestic currency," Kalantri said.

India's forex reserves rise to 11-week high

India's foreign exchange reserves rose to an 11-week high of \$595.40 billion as on November 17, data from the Reserve Bank of India (RBI) showed on Friday. The reserves rose by \$5.1 billion, the biggest gain in four months. Changes in foreign currency assets are caused by the RBI's intervention as well as the appreciation or depreciation of foreign assets held in the reserves. Foreign exchange reserves also include India's reserve tranche position in the International Monetary Fund. For the week the

forex reserves data pertains, the rupee traded in a range of 83.01 to 83.3325 against the dollar. It was little changed for the week. The currency settled at 83.3675 on Friday, a record closing low, and was down 0.1 per cent for the week.

BACK ON TRACK



Source: RBI

19 unauthorised forex trading platforms added to Alert List

The RBI on Friday updated the 'Alert List' of unauthorised forex trading platforms by adding 19 more entities, including FX SmartBull, Just Markets, and GoDo FX, taking the total to 75. The Alert List contains the names of entities, which are neither authorised to deal in forex under the Foreign Exchange Management Act, 1999 (FEMA) nor to operate electronic trading platform (ETP) for forex transactions under the Electronic Trading Platforms (Reserve Bank) Directions, 2018. **AGENCIES**

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