

# ₹ hits fresh low on weak risk appetite

\$ demand from oil importers also played part

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The Indian rupee depreciated to a new low of 83.73 against the US dollar on Friday due to continuous demand for the greenback from oil importers and weak risk appetite, said dealers. The previous low was 83.72 per dollar on Wednesday.

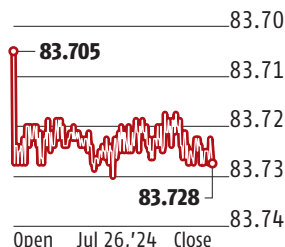
The Indian unit traded within a narrow range throughout the day. It had settled at 83.70 against the dollar on Thursday.

Market participants said the RBI intervened in the forex market through dollar sales, which prevented the rupee from further depreciation.

“Rupee looks to be range-bound as the RBI was standing to protect it around 83.73. The closing was the lowest for the rupee on a daily and weekly basis while it made an all-time low of 83.73. Important data

## DOWNTREND

₹ vs \$ (inverted scale)



Source: Bloomberg  
Compiled by BS Research Bureau

this evening may determine the course of the rupee on Monday,” said Anil Kumar Bhansali, head of treasury and executive director at Finrex Treasury Advisors LLP.

The dollar index traded within a narrow range during the week, between 104 and 104.35, following the surprising US GDP growth rate of 2.8 per cent. Additionally, US jobless claims were better than expected. The US 10-year treasury yield also remained in a small range as the market expects a rate cut in September 2024. However, the impressive GDP growth has caused some scepticism about this expected cut.

## Forex reserves at record high

Forex reserves rose \$4 billion to an all-time high of \$670.86 billion in the week ended July 19, the RBI data showed.

Previous record high was at \$667 billion in the week ended July 12. Total reserves rose on the back of foreign currency assets which increased \$2.57 billion to \$588 billion.

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The rupee remained under pressure during the week due to persistent outflows from domestic equities, said dealers.

“The rupee remains under significant pressure, hovering near all-time low levels. This strain is due to the Centre’s decision to hike the tax rate on capital gains, sparking major outflows of foreign institutional investments. However, the RBI has been actively capping the downside, preventing further depreciation by maintaining the rupee at around 83.75,” said Amit Pabari, managing director at CR Forex.