

DOLLAR INDEX WEAKER

Re Rebounds to Settle 9 Paise Higher at 83.31

PTI

Mumbai: The rupee recovered 9 paise to settle at 83.31 against the US dollar on Thursday on the back of softening American currency as well as crude oil prices in the overseas market.

Forex traders said, however, a massive selling in the domestic equity markets, outflow of foreign fund and increased month-end demand of green-

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back by oil marketing companies weighed on the Indian currency. At the inter-bank foreign exchange market, the local unit opened at 83.42 and oscillated between the intra-day high of 83.26 and lowest level of 83.44 during the session. It finally settled at 83.31, registering a gain of 9 paise from its previous closing level. The rupee plunged 22 paise to close at 83.40 against the US dollar on Wednesday, a day after losing 5 paise on Tuesday.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading 0.12 per cent lower at 104.90. Anuj Choudhary, Research Analyst at Sharekhan by BNP Paribas, said the rupee, which fell in the first half of the day on weak domestic markets and FII outflows, appreciated on softening



of the US dollar as the US treasury yields eased after rising over the past three days.

"Overall strength in the US dollar amid hawkish tone of the US Federal Reserve officials may further pressure the rupee. However, any further easing of US treasury yields or any intervention by the RBI may support rupee at lower levels," he said, adding, "USD-INR spot price is expected to trade in a range of Rs 83.10 to Rs 83.70."

Analysts also said market participants are expected to take cues from several upcoming domestic as well as global macroeconomic data to be released this week.

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On the domestic equity market, the 30-share BSE Sensex tanked 617.30 points, or 0.83 per cent, to close at 73,885.60 points. The broader NSE Nifty fell 216.05 points, or 0.95 per cent, to close at 22,488.65 points.

Foreign Institutional Investors (FIIs) were net sellers in the capital markets on Wednesday, selling shares worth Rs 5,841.84 crore, according to exchange data.