

# Rupee rebounds on Reserve Bank intervention

**PRESS TRUST OF INDIA**

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The rupee today recovered from 16-month low levels to close higher by 27 paise at 67.80 against the US currency on suspected RBI intervention to stem further fall in the domestic currency.

Suspected market intervention by the Reserve Bank of India (RBI) predominantly stemmed the rupee's fall despite the dollar's gains in global markets.

Crude oil prices softened today which also supported the rupee sentiment.

"Even as political uncertainty continued to roil equity markets, rupee resisted weakness on the expectations of dollar selling by the RBI, having tested 68," said Mr Anand James, chief market strategist at Geojit Financial Services.

The home currency opened lower at 68.14 and slipped further to hit fresh multi-month low of 68.15 in early trade before storming back.

On the energy front, crude prices retreated, weighed

down by ample supplies despite ongoing output cuts by producer cartel OPEC and looming US sanctions against major crude exporter Iran. The Brent crude, an international benchmark, was trading at \$77.73 a barrel in early Asian trade.

The pullback is viewed as nothing more than a healthy correction at this stage and banks stepped up greenback sales, likely on instruction of the Reserve Bank of India at around 68.15 levels which supported the recovery, a forex dealer commented.

The rupee hit a fresh intraday high of 67.75 in late afternoon deals before concluding at 67.80, showing a smart gain of 27 paise, or 0.40 per cent.

The Indian rupee had plunged to a 16-month low of 68.07 yesterday due to a combination of macro worries against the backdrop of surging global crude prices and consistent outflow of foreign funds along with uncertainty over government formation in Karnataka.