

# Rupee falls 43 paise to 72.91 vs US dollar

**PRESS TRUST OF INDIA**  
MUMBAI, 1 OCTOBER

The rupee tumbled by 43 paise to end at a near two-week low of 72.91 against the US dollar today amid a strengthening greenback and steady capital outflows.

Higher US treasury yields, which rose above the three per cent mark, boosted the appeal for the dollar, analysts said.

The dollar rose to near one-month highs against global currencies.

Meanwhile, the local unit opened at 72.61, marginally higher as compared to its Friday's close of 72.48.

It touched a low of 72.95 on strong dollar demand, before recovering to 72.60. The rupee finally closed at 72.91, down 43 paise.

Foreign institutional investors net sold shares

worth Rs 1,841.63 crore today, provisional data showed.

Meanwhile, the Reserve Bank today announced that it will inject Rs 36,000 crore liquidity into the system through purchase of government bonds in October to meet the festival season demand for funds.

The auctions to purchase government bonds as part of the Open Market Operations (OMO) will be conducted in the second, third and fourth week of October.

"Rupee continues to be weak as crude oil prices remains high. Unless we have comfort from crude oil prices, we are likely to see weakness in rupee. It is going to hover in 70-72 range," a senior treasury official said.

Brent crude was trading at \$82.94 per barrel, up 0.25 per cent.

"The central bank's Rs 36,000 crore OMO to provide domestic liquidity could not stem the fall for the rupee. Surging crude oil prices is the main worry for the currency markets.

"Among the emerging market currencies, rupee was the worst performer with loss of 42 paise to 72.91 against the dollar today. Forex traders are awaiting some concrete steps from RBI MPC meeting scheduled on 5 October," said VK Sharma, head PCG and capital markets strategy, HDFC Securities.

Equity benchmarks snapped their three-day losing streak today as the RBI announced measures to shore up liquidity amid the government pressing for a change of management at the crisis-hit IL&FS.