

Rupee jumps 40 paise to 68.74 against dollar

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THE RUPEE ON Tuesday recovered from the day's low to finally settle at 68.74 against the dollar with gains of 40 paise amid sustained foreign fund inflows and heavy buying in domestic equities.

Forex dealers said foreign fund inflows in the debt and equity markets helped the rupee recover. Besides, the local currency gained strength after the RBI announced second dollar-rupee swap, they added.

At the Interbank Foreign Exchange (forex), the domestic currency opened lower



at 69.32 a dollar but recovered the losses during the day and touched the day's high of 68.70. It finally settled at 68.74 per dollar, up 40 paise over its previous close.

The Indian unit had appreciated by 16 paise on Friday to close at 69.14. The forex market was closed on Monday.

According to VK Sharma of HDFC Securities, rupee and bonds rose after RBI announced second dollar-rupee swap. "Sovereign bonds gained as RBI's currency swap will add to liquidity in the banking system," Sharma said, adding "the swap auction comes ahead of the important RBI policy statement that is scheduled this week."