

# Rupee falls 14 paise

PRESS TRUST OF INDIA  
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**THE RUPEE DIVED** 14 paise to close at 69.58 against the US dollar on Friday, pressured by firming crude oil prices amid intensifying geopolitical tensions in the Gulf region.

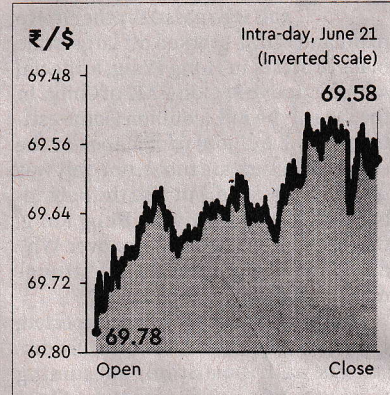
A broad sell-off in the domestic equity markets also kept the sentiment negative, forex traders said.

At the interbank foreign exchange (forex) market, the rupee opened sharply lower at 69.75 against the dollar. However, it recouped some losses to finish at 69.58, registering a fall of 14 paise. The rupee had settled at 69.44 on Thursday.

"Overnight surge in crude oil prices have weighed on Indian rupee as it weakened the most among Asian currencies. The geopolitical risks from escalation of US-Iran tension pushed crude oil price higher. In near-term, rupee is having resistance around 69.03 and support at 70.01, the 100 days simple moving average," said VK Sharma, head - PCG and capital market strategy, HDFC Securities.

Brent crude futures, the global oil benchmark, spurted 1.44% to \$65.38 per barrel on concerns that the US-Iran stand-off may lead to supply disruptions.

"India's sovereign bond yields have climbed from a 20-month low of 6.79% to 6.86%, amid concern that higher oil prices will boost inflation and the Budget deficit will widen. Yields have dropped more than



50 bps in the past six weeks," Sharma said. The 10-year government bond yield rose 1.35% to 6.88% on Friday.

On a net basis, foreign institutional investors sold equities worth ₹438.41 crore on Thursday, while domestic institutional investors purchased shares to the tune of ₹1,241.23 crore, provisional data available with the stock exchanges showed.

The dollar index, which gauges the greenback's strength against a basket of six currencies, slipped 0.03% to 96.59.

Meanwhile, the Financial Benchmark India set the reference rate for the rupee/dollar at 69.5645 and for rupee/euro at 78.4711. The reference rate for rupee/British pound was fixed at 88.3794 and for rupee/100 Japanese yen at 64.69.