

Rupee rises by 16 paise against US dollar

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The rupee pared initial losses and settled 16 paise up at 71.04 against the US dollar today amid softening crude oil prices and weakening of the greenback vis-a-vis other currencies overseas.

Fresh foreign fund inflows and positive developments on the US-China trade front also propped up the local unit, forex traders said.

At the interbank foreign exchange market, the rupee opened at 71.24 against the US dollar. During the day, the domestic unit fluctuated between a high of 71.62 and a low of 71.27 and finally ended the day at 71.04 against the US dollar.

On Friday, the rupee had settled at 71.20.

"The strength in Asian peers also supported rupee gains. Asian currencies rose as concern about trade tensions eased, with President Donald Trump saying negotiations were "moving along

well" and China working on waiving retaliatory tariffs," said Mr V K Sharma, head - P&G & capital market strategy, HDFC Securities.

China today said that it hoped to make a trade deal with the US as soon as possible.

Traders further said the near term focus will be on Federal Open Market Committee (FOMC) and European Central Bank (ECB) monetary policy decision.

"This week, volatility is expected to remain high not only for rupee but also for other major currencies ahead of important FOMC and ECB policy statement and at the same time we are expected to get cues from the ongoing trade talks between US and China," said Mr Gaurang Somaiyaa, forex & bullion analyst, Motilal Oswal Financial Services Private Ltd.

The dollar index, which gauges the greenback's strength against a basket of six currencies, slipped 0.13 per cent to 97.57.