

# Rupee slides 22 paise to 3-week low on equity rout

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**THE RUPEE LOST** 22 paise to close at a three-week low of 71.49 against the US dollar on Thursday tracking heavy sell-off in domestic equities amid rising concerns over the outbreak of coronavirus.

Forex traders said most Asian currencies declined after the US Federal Reserve kept its key policy rates steady.

Moreover, market participants are also assessing the economic implications of the coronavirus outbreak and awaiting cues from the Union Budget.

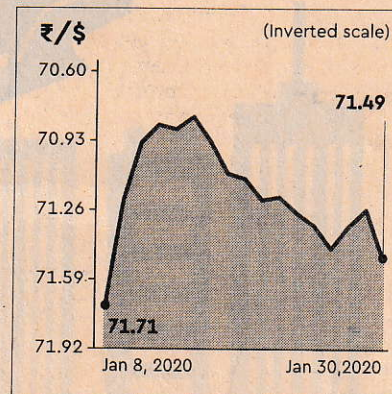
At the interbank foreign exchange market, the domestic currency opened weak at 71.39 a dollar. It finally settled for the day lower by 22 paise at 71.49, a level not seen since January 8. On Wednesday, the local unit had closed at 71.27 against the greenback.

Meanwhile, a positive case of novel coronavirus has been reported in Kerala, the health ministry said on Thursday. The patient is a student of Wuhan University.

"Rupee fell for the second successive session following rising concerns over the outbreak of corona virus in China. On the domestic front, market participants have been a little cautious ahead of the important GDP number that will be released tomorrow and Union Budget that is scheduled this weekend," said Gaurang Somaiyaa, Forex & Bullion analyst, Motilal Oswal Financial Services.

Somaiyaa further said "the dollar retraced from its highest level in seven weeks after the Federal Reserve, in line with expectation, held rates unchanged. In the next couple of session the USDINR (Spot) to quote in the range of 71.20 and 71.80".

Meanwhile, the global crude benchmark Brent Futures fell 2.47% to trade at



\$58.33 per barrel.

Crude prices have seen some moderation in the past few sessions over demand slump amid rising coronavirus cases in China and other regions.

The dollar index, which gauges the greenback's strength against a basket of six currencies, rose by 0.01% to 97.99.

The 10-year Indian government bond yield was at 6.56%.

On the domestic equity market front, the 30-share BSE Sensex settled 284.84 points, or 0.69%, lower at 40,913.82. It hit an intra-day low of 40,829.91 and a high of 41,380.14. Likewise, the broader NSE Nifty closed 93.70 points, or 0.77%, down at 12,035.80.

Foreign institutional investors sold equities worth ₹962.28 crore on a net basis on Thursday, according to provisional exchange data.

The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 71.1875 and for rupee/euro at 78.4221. The reference rate for rupee/British pound was fixed at 92.7174 and for rupee/100 Japanese yen at 65.24.