

Rupee Extends Gains, Climbs 4 paise to 71.61 Against US Dollar

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Mumbai:

Extending gains for the third day, the rupee climbed 4 paise to close at 71.61 against the US dollar on Thursday amid easing crude oil prices and weakening of the greenback overseas. Forex traders said the rupee consolidated in a narrow range as gains were restricted by sustained foreign fund outflows and robust selling in domestic equities.

Moreover, market participants will be keeping an eye on third quarter GDP growth number scheduled to be released on Friday.

At the interbank foreign exchange market, the local currency opened at 71.65 to the US dollar. During the day, it swung between a high of 71.55 and a low of 71.69.

The domestic unit finally finished at 71.61, up 4 paise from its previous close.

Meanwhile, investor sentiment remained fragile amid concerns over the coronavirus outbreak turning into a pandemic, traders said.

The death toll from the virus epidemic now stands at 2,744 in mainland China and there are now nearly 81,000 cases in total.

"Rupee consolidated in a narrow range but traded with a slightly negative bias against the US dollar ahead of the preliminary GDP number that will be released from the US later this evening," said Gaurang Somaiyaa, Forex & Bullion Analyst, Motilal Oswal Financial Services.

Somaiyaa further noted that "on the domestic front, growth number will be released tomorrow and weaker-than-expected number could keep the rupee under pressure".

The global crude oil benchmark Brent futures fell 2.11% to trade at \$52.30 per barrel.

Meanwhile, foreign institutional investors remained net sellers in the Indian capital markets, offloading equities worth a net ₹3,127.36 crore on Thursday, according to provisional exchange data.

"Rupee heads for the third day of gain following weaker dollar index and lower crude oil prices," said V K Sharma, Head PCG and Capital Markets Strategy, HDFC Securities.