

**THE RUPEE: No visible gap in open, inter-bank market rates**

No visible gap was seen in the inter-bank and open market rates after steep devaluation of the rupee versus the dollar during the week, ended on October 13, 2018.

INTER-BANK MARKET RATES: The rupee dropped by Rs 6 against the dollar for buying and selling at Rs 131.90 and Rs 132.10.

OPEN MARKET RATES: The rupee also fell in terms of the dollar, losing Rs 3 for buying and selling at Rs 131.80 and Rs 132.30, they said.

The national currency was available in terms of the euro for buying and selling at Rs 149.50 and Rs 152.50.

Some currency experts said that the dollar is likely to shed further ground versus the rupee due to comfortable supply of the greenback.

Under the circumstances, a kind of uncertainty prevailed in the market, so a number of sellers were keen to surrender dollars in the market, they observed.

INTER-BANK MARKET RATES: On Monday, the rupee shed one paisa versus the dollar for buying and selling at Rs 124.26 and Rs 124.27. On Tuesday, the rupee was lower by Rs 11.24 against the dollar for buying and selling at Rs 133.50 and Rs 133.75. On Wednesday, the rupee fell by 20 paises versus the dollar at Rs 133.70 and it also shed five paises for selling at Rs 133.80, dealers said. On Thursday, the rupee shed five paises versus the dollar for buying and selling at Rs 133.75 and Rs 133.85. On Friday, the rupee gained Rs 1.85 versus the dollar for buying and selling at Rs 131.90 and Rs 132.10.

OPEN MARKET RATES: On Oct 8, the rupee continued slide in relation to the dollar, losing 70 paises for buying and selling at Rs 128.00 and Rs 128.50, they said. The national currency dropped by 35 paises in terms of the euro for buying and selling at Rs 146.60 and Rs 148.60. On Oct 9, the rupee lost Rs 7 versus the dollar for buying and selling at Rs 135.20 and Rs 136.50. The rupee was available versus the euro at Rs 152.00 and Rs 153.50. On Oct 10, the rupee gained Re one against the dollar for buying and selling at Rs 134.20 and Rs 134.70. The national currency was available in terms of the euro for buying and selling at Rs 151.75 and Rs 154.75.

On Oct 11, the rupee managed to recover Rs 2.20 in relation to the dollar for buying at Rs 132.00 and it also gained Rs 1.70 for selling and Rs 133.00.

The national currency also rose in relation to the euro for buying and selling at Rs 149.50 and Rs 153.50.

On Oct 12, the rupee picked up 60 paisas in relation to the dollar for buying and selling at Rs 131.40 and Rs 132.40. While, the national currency was almost unchanged in terms of the euro for buying and selling at Rs 149.50 and Rs 153.00.

On Oct 13, the rupee lost 40 paisas in relation to the dollar for buying at Rs 131.80, it, however, gained 10 paisas for selling Rs 132.30, they said.

The national currency did not move any side in terms of the euro for buying at Rs 149.50 while it rose by 50 paisas for selling at Rs 152.50, they said.

**OVERSEAS OUTLOOK FOR DOLLAR:** In the first Asian trade, the dollar edged higher on Monday as China followed an easing in domestic policy by allowing its yuan to fall, though the drop was not as sharp as some had feared. Moves were limited by a lack of liquidity with Japan on holiday and the US bond market on a break. A sudden and steep rise in Treasury yields had underpinned the dollar for much of last week.

China's central bank moved on Sunday to support the economy by slashing the level of cash that banks must hold as reserves. It was the fourth cut this year and comes as the economy struggles with the drag from an escalating trade dispute with the United States.

Beijing followed by setting its yuan at 6.8957 per dollar, the lowest since May last year but still short of the psychological 6.9000 level that dealers had eyed. The US currency was available against the Indian rupee at Rs 73.860, the dollar was at 4.150 in relation to the Malaysian ringgit and the greenback was trading at 6.898 versus the Chinese yuan.

In the second Asian trade, the dollar dipped against the yen on Tuesday on simmering anxiety about higher US bond yields, the Sino-US trade war and political turmoil in Europe.

The yen extended gains against the greenback to a fourth straight session, coming off an 11-month low of 114.55 yen per dollar reached on Thursday last week.

The dollar was trading against the Indian rupee at Rs 74.070, the greenback was at 4.155 versus the Malaysian ringgit and the US currency was at 6.914 in terms of the Chinese ringgit.

In the third Asian trade, the dollar slipped further from seven-week highs on Wednesday although underlying support for the greenback remained strong amid a confluence of factors, including a strong US economy and a steady path for rate hikes by the Federal Reserve.

While US Treasury yields came off their highs overnight, the propensity for further spikes remained intact as investors bet rising inflation pressures will keep the Fed firmly focused on tighter policy, even as US President Donald Trump took aim at policy makers' hawkish inclinations.

Sterling took some comfort on hopes Britain and the European Union might be close to a Brexit deal, while markets' focus also was squarely on a slate of issues, including the intensifying Sino-US trade dispute and Italy's budget plans.

In the fourth Asian trade, the US dollar, usually seen as a safe haven in turbulent times, surprised some currency strategists on Thursday by losing ground after spooked investors drove US stocks to their worst fall in nearly eight months.

The VIX, Wall Street's "fear index" measuring the stock market's expectation of volatility, rose by 44 percent to 22.96 on Thursday, its highest level since April. The dollar index, a gauge of its value against six major currencies, fell 0.25 percent to 95.27 on Thursday, after hitting a high of 95.79 in the previous session.

The dollar was available against the Indian rupee at Rs 74.390, the greenback was at 4.158 versus the Malaysian ringgit and the US currency was at 6.932 in terms of the Chinese yuan.

In the final Asian trade, the US dollar traded at its lowest level this month against its major peers on Friday as declining US treasury yields and further losses on Wall Street soured sentiment.

The dollar index, a gauge of its value against six major currencies, traded at 95 on Friday, down from its monthly high of 96.15 hit on Tuesday.

The Dow Jones Industrial Average closed at a two-month low of 25,052 on Thursday, down 2.13 percent, while the S&P 500 ended 2.05 percent lower. The Dow has lost around 7 percent from an all-time high of 26,951 hit on Oct. 3.

A weaker-than-forecast rise in US consumer prices undermined the dollar as traders cut back their wagers on the US Federal Reserve stepping up the pace of its planned rate hikes.

Fed officials said last month they expected three rate hikes in 2019, and some have said they are open to a rate increase in December, which would be the fourth this year. The dollar was trading against the Indian rupee at Rs 73.608, the greenback was at 4.152 versus the Malaysian ringgit and the US currency was available at 6.896 in relation to the Chinese yuan.

At the week-end, the dollar climbed on Friday against a basket of currencies as global equity prices rebounded from a six-day rout and robust Chinese export figures soothed some worries about the world's second-biggest economy and its trade war with Washington.

Euro and sterling snapped their three-day winning streak in advance of next week's European Union summit where Britain and the economic bloc may strike a Brexit deal.

China's exports jumped 14.5 percent in September from a year earlier, the biggest year-over-year increase in seven months and marking a record trade surplus with the United States. This suggested the tariffs US President Donald Trump has slapped on Beijing have yet to bite.

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