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Rupee at 75.88 Against Dollar

PTI

Mumbai: The rupee on Tuesday declined by 10 paise to close at an 18-month low level of 75.88 against the US dollar due to persistent foreign fund outflows and concerns over inflation.

Muted domestic equities and the dollar demand from corporates also weighed on the local unit, analysts said.

At the interbank foreign exchange market, the local currency opened at 75.94 against the greenback. During the day, the local unit witnessed an intraday low of 75.95 and a high of 75.83 against the US dollar. The rupee closed at 75.88 against the dollar, a level not seen since June 22, 2020.

On the domestic macroeconomic front, the wholesale price-based inflation surged to more than a decade high of 14.23 per cent in November, mainly due to hardening of prices of mineral oils, basic metals, crude petroleum and natural gas.

"Rupee weakened against the US dollar following risk-off sentiments and dollar demand from corporates for dividend payments. While foreign investors remain net sellers in domestic equities and debt," said Dilip Parmar, Research Analyst, HDFC Securities.