

Rupee gains 27 paise against US dollar

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The rupee appreciated by 27 paise to close at 71.16 against the US dollar today, led by optimism over the Brexit deal amid softening crude oil prices.

Persistent foreign fund inflows and robust buying in domestic equity markets added to the momentum, forex traders said.

At the interbank foreign exchange market, the rupee opened at 71.38 against the US dollar. During the day, the domestic unit fluctuated between a high of 71.14 and a low of 71.47, before finally ending at 71.16, up 27 paise over its previous close.

"Rupee has appreciated nearly one per cent in two days. The hopes of US-China closing the phase one trade deal along with the announcement of Brexit deal, has kept all emerging market currencies, including rupee, afloat," said Mr Rahul Gupta, head of currency, Emkay Global Financial Services.

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Global markets rallied after Britain and the European Union said they had struck an outline Brexit deal after prolonged negotiations.

The deal, however, must still be formally approved by the bloc and ratified by the European and UK parliaments.

Weak US economic data, fall in dollar index and speculation over the third rate cut by US Fed added to the strength in rupee, Mr Gupta said, adding that the domestic currency can appreciate further if the Brexit deal gets parliamentary approval.