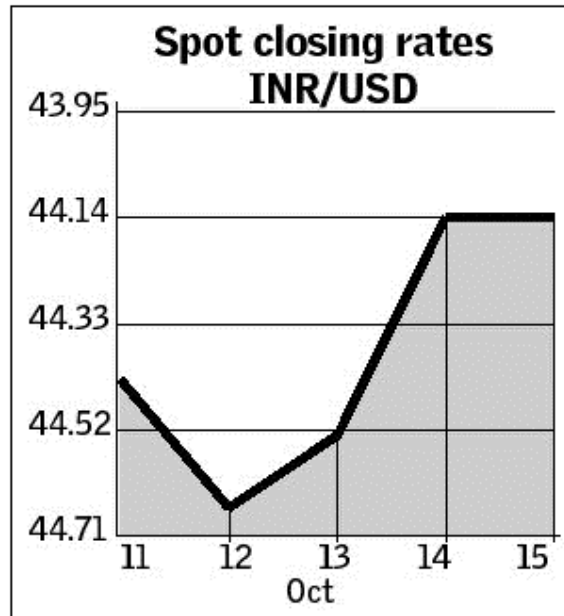


Rupee Breaches 43 in Day Trade



The rupee rallied to fall below the 44-mark to 43.97 in day trade before ending the day flat at 44.10-11. According to some dealers, nationalised banks bought dollars at RBI's behest to check rupee's gains. On Friday, the domestic currency opened at 44.24 and strengthened to 43.97, a level last seen in August 2008. It ended the day at 44.10-11, against the previous close of 44.11-12. The rupee gained on expectations of foreign inflows into the country on account of the Coal India IPO. When rupee was trading at 44.00, there was large-scale dollar buying by nationalised banks. It looked as if the RBI was intervening in the market to stem the domestic currency's gains, said forex dealers. According to Mr Girish Iyer, Senior Vice-President, Markets Risk Advisory, Mecklai Financial, the RBI intervention was to ensure that the rupee does not fall below the psychological mark of 44. In the overseas markets, the dollar was weak against other major currencies after statements by US Federal Reserve that it will pump money into the US economy. In the forward premia market, the premiums moved down as exporters sold forward dollars. The one-year premium ended down at 5.58 per cent (5.60 per cent). — Our Bureau