

MARKET UPDATE

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Indian Rupee Hits Record Low of 82 as Rising Oil Prices Weigh

The Indian rupee hit a record low against the dollar on Friday as rising oil prices, corporate dollar demand and growing fears of a hawkish Federal Reserve battered the currency this week.

The rupee fell as much as 0.4% to an all-time low of 82.356 to the dollar. It was also set to lose nearly 0.8% this week in its fourth straight week of losses.

Rising oil prices were the biggest weight on the rupee this week, given India's status as the third-largest crude importer in the world. The country imports about 80% of its oil requirements, making the rupee sensitive to any rises in oil prices.

Oil prices rose on the back of a "deep" supply cut by the Organization of Petroleum Exporting Countries and its allies and are set for more volatility as the U.S. readies a response to the move.

Oil Slips Before U.S. Payrolls, But Set for Best Week in 6 Months

Oil prices fell on Friday as markets awaited more economic cues from a closely watched U.S. payrolls report but were headed for strong weekly gains after the OPEC+ announced its biggest supply cut since the 2020 COVID pandemic.

London-traded Brent oil futures fell 0.4% to \$94.43 a barrel, while West Texas Intermediate crude futures were largely unchanged around \$88.53 a barrel by 20:44 ET (00:44 GMT). Both contracts were up 7.4% and 11% this week, respectively, and were set for their best weekly gain since the start of the Russia-Ukraine war in March.

Prices rallied for four straight sessions, recovering sharply from eight-month lows hit earlier as markets positioned for much tighter supply conditions this year. The Organization of Petroleum Exporting Countries and its allies said it will cut production by two million barrels per day in the coming months.



BOJ to host third workshop on Japan's price trends in November, focus on wages

The Bank of Japan (BOJ) said on Friday it will host the third session of its workshop series to analyse the country's price moves during the pandemic on Nov. 25.

Japan's wage formation mechanism is the subject of the November session, where BOJ executive directors Masaaki Kaizuka and Shinichi Uchida will be giving speeches to participants including BOJ staff and university professors, the central bank's monetary affairs division said in a statement.

The first two sessions of the workshop were held in March and May.

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