

## **Panic in market about rupee 'unwarranted': FinMin**

With rupee plunging to life-time low of 57.54 versus dollar, the Finance Ministry today said there is an unwarranted panic in the market and hoped it will settle down in a some time.

"If you see weakening of all currency vis-a-vis dollar, rupee is also not unaffected in that sense. But I think this is panic (in) the market which is unwarranted," Economic Affairs Secretary Arvind Mayaram told reporters on sidelines of a workshop here.

This, he said, started off with misinterpretation of what Federal Reserve Chairman Ben Bernanke had said in terms of Quantitative Easing (QE) recently.

"They have now more than clarified that this (Quantitative Easing) is not imminent neither it is going to something which will happen quickly. I think this will settle down in a while. We should not worry but we are watching the situation closely," he said.

Chief economic adviser Raghuram Rajan, who was also present at the event, said the weakness in rupee could be a temporary phenomenon.

"India has large CAD, and currencies of emerging markets (with) large CAD have depreciated more. This could be temporary phenomenon. But again let me reiterate government is not supportive of weakening of rupee and we would like more stability," he said.

He, however, added that the government does not have specific level in mind where rupee should be at.

Last week Finance Minister P Chidambaram, too, had said there was no cause for alarm and the currency would soon find its stable level.

The rupee today plunged by 48 paise to hit its life-time low of 57.54 in early trade on heavy dollar demand and dollar gaining overseas on better-than-expected US jobs report. This crossed its previous all-time closing low of 57.32 touched in June-end last year.

*(Business Standard)*