

**Rupee closed lower on Friday**

The Rupee closed considerably weaker on Friday because a rise in US Treasury yields to their highest level in over a year as well as upbeat jobless claims data in the US led to strength in the greenback globally in overnight trade. The yield on 10-year benchmark paper in the US has been on the climb as ultra-accommodative monetary policy by the US Federal Reserve, a likely fiscal stimulus package soon, as well as COVID-19 vaccine rollout across the globe, bolstered the reflation trade, which means traders bet on an upswing on economic activity and prices.

A fall in domestic equities after a sharp rise in US bond yields on Thursday triggered a sell-off across global markets, that may weigh on the Indian currency. Overseas investors may also trim their holdings of Indian government bonds. Even though the rupee is expected to remain firm in the long term, currency traders may refrain from placing large bets in favour of the rupee given the global strength in the US currency. The positive jobs data indicated economic recovery, which fuelled worry over rising inflation.



**Technical Outlook:**

- USD-INR SPOT prices close on a positive note after taking a bounce from the crucial support zone of 72.30-72.00 on the weekly time frame.
- The market is expected to continue its bullish momentum based on the current price action, the upside rally could test the level of 74.60-75.10 in the upcoming sessions.
- On the contrary, if prices break and sustain below the support level of 73.00 then the market might turn bearish once again and the downside rally could test 72.30 – 71.80 levels.
- Fresh buying recommended when the prices break and sustain above the resistance level of 74.20 or at the support level of 73.30.
- **USD-INR has its major support at 73.00 and resistance at 74.20.**

**Weekly Pivot Table**

Currency	S2	S1	Pivot	R1	R2
USD/INR	71.60	72.89	73.62	74.91	75.64
EUR/INR	86.88	88.34	89.14	90.60	91.40
GBP/INR	100.54	101.83	102.56	103.85	104.58
JPY /INR	67.95	68.83	69.34	70.22	70.73