

Buy USD/INR Oct above 71.35 SL 69.80 Target 71.90/72.60

Indian Rupee falls, after rising to 2-month high against US dollar

On Monday, Indian rupee (INR) fell against the US dollar, failing to hold on to gains after rising to two-month high of 70.35 against the US dollar. Indian rupee was down at 70.87 a dollar, as compared to its Friday's close of 70.56 level. A Sell off in domestic equity markets and a broad strength in US dollar hurt the rupee.

Here are some factors affecting Indian Rupee:

- 1) Government has announced the borrowing plan for October to March. The government stuck to its gross borrowing target for the second half of FY19 to Rs 2.68 tn. The government has deferred sovereign bond issue plan.
- 2) The RBI will announce its monetary policy later this month and there is expectation of another rate cut by MPC.
- 4) The dollar index, which measures the greenback's strength against a basket of six currencies, rose to 99.18 before giving up some gains ahead of next month's trade talks with the US, Chinese Vice Commerce Minister Wang Shouwen said on Sunday "the two major economies would resolve their trade dispute with a calm and rational attitude".



Technical Outlook:

- USD-INR OCT future managed to sustain above the support level of 70.70 on the weekly chart.
- 71.30 works as immediate resistance for USD/INR Oct future, if it close above it then upside rally continues for the target of 72.10 – 73.20 in the upcoming sessions. On the contrary, if it manages to sustain below 70.70 level then the selling pressure could emerge for the downside target of 69.90-69.0 levels. The pair has its major support at 70.70 level.
- **Fresh Buying is only recommended if it closes above 71.30 level.**

Currency Returns

Particulars	Last	Return					
		5D	1M	3M	6M	1Yr	5Yr
USD/INR	70.95	0.1%	0.7%	-2.8%	-2.5%	2.8%	-13.2%
EUR/INR	77.25	1.1%	2.0%	1.3%	0.5%	9.5%	0.5%
GBP/INR	87.06	1.7%	-0.8%	0.2%	4.2%	9.3%	14.5%
CHF/INR	70.92	1.3%	1.6%	-1.0%	-2.0%	4.6%	-9.4%
EUR/USD	1.09	-1.1%	-0.8%	-3.6%	-2.8%	-5.9%	-13.6%

Weekly Pivot Table

Currency	S2	S1	Pivot	R1	R2
USD/INR	71.65	71.22	70.99	70.56	70.33
EUR/INR	79.64	78.63	78.09	77.08	76.54
GBP/INR	90.14	88.67	87.90	86.43	85.66
JPY /INR	67.03	66.33	65.97	65.27	64.90