

India rupee little changed; Asian peers mixed, traders eye US-China developments:

The Indian rupee on Monday opened little changed against the US dollar amid mixed trade in Asian currencies and as traders eye fresh developments on the trade deal between the US and China.

In early deals today, the rupee traded at 71.76 a dollar, down marginally from Friday's close of 71.74. The Indian unit had opened 71.79 a dollar. Data released on Friday showed that India's economy grew at 4.5% in the September quarter, its weakest pace since 2013 as manufacturing output contracted. The Centre's fiscal deficit hit 102.4% of 2019-20 Budget Estimate at 7.2 lakh crore at the end of October, government data showed on Friday. The deficit was at 103.9% of 2018-19 Budget Estimate (BE) in the corresponding month a year ago.

Traders now await Reserve Bank of India's bi-monthly policy statement on 5 December. Eight of 10 economists and treasury heads surveyed by Mint expect RBI's monetary policy committee (MPC) to cut the repo rate, at which RBI lends to banks, by 25 basis points (bps) to 4.9%, while maintaining an accommodative stance. Two expect the RBI to cut rates by 15bps.

In the year so far, the rupee has weakened 2.74%, while foreign investors have bought nearly \$13.48 billion in Indian equities and \$4.22 billion in debt.



Technical Outlook:

- USD-INR Dec future has formed a “Falling Wedge” pattern on a daily chart.
 - The market is expected to continue its bullish momentum based on the current price action, once the price breaks and sustains above resistance level of 72.10. The upside rally could test the levels of 72.60-73.20 in the upcoming sessions.
 - On the contradictory, if the resistance holds strong then the market might have a chance to turn bearish once again. The downside rally could test 71.30-70.80 levels in the upcoming sessions.
- **USD-INR has its major support at 71.30 and resistance at 72.10.**

Weekly Pivot Table

Currency	S2	S1	Pivot	R1	R2
USD/INR	71.148	71.524	71.783	72.159	72.418
EUR/INR	78.437	78.821	79.152	79.536	79.867
GBP/INR	91.423	92.085	92.553	93.215	93.683
JPY /INR	64.867	65.303	65.797	66.233	66.727