

Rupee closed marginally higher:

The Indian rupee opened weak against the US dollar on Monday, tracking the slump in Asian currencies due to worsening of the coronavirus outbreak. In early deals today, the rupee traded at 71.59 a dollar, down 0.34% from Friday's close of 71.36. The Indian unit had opened at 71.65 a dollar. Year to date, the rupee has weakened 0.5%, while foreign investors have bought nearly \$1.90 billion in Indian equities and sold \$1.60 billion in debt.

"Continued fiscal consolidation in FY21 could be viewed by markets as positive for INR, but the weak external environment remains a considerable headwind"

Traders will now shift their focus to Reserve Bank of India's bi-monthly policy, due on 6 February. With the RBI having cut interest rates five times last year and with inflation exceeding 7%--well about the central bank's target--there may be limited scope to ease more, analysts believe.

The dollar index, which measures the US currency's strength against a basket of major currencies, was at 97.897, up 0.03% from its previous close of 97.867.

9-USDINR.Rolling - 03/02/20



Technical Outlook:

- USD-INR (Jan) has formed a “Bullish Pennant” pattern on the weekly 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 71.80, the upside rally could test the level of 72.50-73.00 in the upcoming sessions.
- Alternatively, if the resistance holds strong then the market might turn bearish once again and the downside rally could test 71.00 – 70.50 levels on the upcoming sessions.
- **USD-INR has its major support at 70.80 and resistance at 71.30.**

Currency Returns

Particulars	Last	Return					
		5D	1M	3M	6M	1Yr	5Yr
USD/INR							
EUR/INR							
GBP/INR							
CHF/INR							
EUR/USD							
JPY/USD							
CNYM/USD							

Weekly Pivot Table

Currency	S2	S1	Pivot	R1	R2
USD/INR	70.86	71.21	71.55	71.85	72.15
EUR/INR	78.05	78.55	78.90	79.40	79.70
GBP/INR	92.15	93.05	93.60	94.40	94.90
JPY /INR	64.71	65.25	65.65	66.20	66.60