

USD/INR's sell-off...

Rupee closes stronger than its opening on Thursday

The Rupee closed considerably stronger with a closing sell-off due to heavy inflows, strengthening by 46 paise from its opening on Thursday as fading hopes of a fresh stimulus package in the US and robust economic data in the world's largest economy turned investors towards riskier assets, and weighed on the haven greenback globally. Data released on Wednesday showed India's current account balance hit a record high of \$19.8 bln in Apr-Jun, which is also expected to buoy the rupee. The central bank said the current account surplus was due to the "sharp contraction in the trade deficit to \$10.0 bln due to steeper decline in merchandise imports relative to exports on a year-on-year basis". Banks are expected to sell the greenback for foreign portfolio investors' subscription to the initial public offer by two companies, namely UTI Asset Management Ltd and Mazagon Dock Shipbuilders Ltd. These would possibly tend to make the rupee stronger against the dollar. Indices rose as positive data sets indicated that the economy continues to recover from the fallout caused by COVID-19 pandemic.



Technical Outlook:

- USD-INR (OCT) Future prices has broken out the trend line support of “Bear Flag” pattern, on the Daily chart.
- The market is expected to continue its bearish momentum based on the current price action. Fresh selling is only recommended below the previous candle’s low which is 73.20, the downside rally could test the level of 72.60-71.50 in the upcoming sessions.
- On the contrary, if the prices are unable to close below previous candle low, then we may expect small bounce for the upside level of 73.80-74.20 levels.
- **USD-INR has its major support at 73.20 and resistance at 73.80.**

Weekly Pivot Table

Currency	S2	S1	Pivot	R1	R2
USD/INR	72.06	72.63	73.03	73.60	74.00
EUR/INR	85.45	86.05	86.54	87.14	87.63
GBP/INR	92.82	93.44	94.44	95.06	96.06
JPY /INR	68.11	68.66	69.49	70.04	70.87