

Rupee closed higher on Friday:

The Indian rupee closed higher than its past close as the US dollar debilitated internationally after the Euro and Pound sterling reinforced in the outcome of the hawkish policy comment of the European Central Bank and the Bank of England. The BoE conveyed its first consecutive interest rate hick since 2004 in its policy meeting on Thursday.

The central bank raised the bank rate by 25 basis points, for the second time in succession, to 0.50%. Meanwhile, the ECB acknowledged rising inflation risks and reconfirm the way of winding down pandemic-related asset purchases that it laid out in December. ECB's president Christine Lagarde on Thursday said there was "unanimous concern" among policy creators about inflation and policy makers would make a more definite assessment of the impact of higher-than-anticipated inflation in March.

On the other side, sentiment for the rupee is likely to be weighed down as elevated Brent crude prices may prompt banks to buy dollars on behalf of oil marketing companies.

1-USDINR.22.02 Feb - 04/02/22



Technical Outlook:

- USD-INR (FEB) has formed a "Rising channel" pattern on the weekly chart.
- The overall trend is bullish but, fresh buying is recommended only when the prices break and sustain above its resistance level of 75.30, the upside rally could test the level of 75.80-76.30 in the upcoming sessions.
- On the contrary, if the resistance holds strong then there is a chance of a reversal in prices for the downside targets of 74.80-74.30.
- USD-INR has its major support at 74.80 and resistance at 75.30.

Weekly Pivot Table

Currency	S2	S1	Pivot	R1	R2
USD/INR	74.26	74.55	74.92	75.21	75.58
EUR/INR	82.96	84.38	85.13	86.55	87.30
GBP/INR	99.74	100.59	101.26	102.11	102.78
JPY /INR	64.47	64.82	65.21	65.56	65.95