

**Rupee closed weaker on Friday**

The Rupee opened stable on Friday even as the dollar index edged higher in early Asian trade after the US inflation report released on Thursday showed the largest annual increase in 40 years. The US consumer price index rose 7.9% on an annual basis in February, well above the US Federal Reserve's target of 2%, data from Labor Department showed. Inflation grew substantially in February amid the mounting crisis in Ukraine and price pressures. The key data point increased manifold amid rising commodity prices and concerns of geopolitical uncertainty dampening global growth. This led market participants to expect a Fed interest hike in its upcoming policy meeting on Wednesday. According to CME's FedWatch Tool, expectations that the Fed will raise its benchmark overnight interest rate by at least 25-50 basis points during its monetary policy announcement stand at 94%. Separately, the high-level talks between Russian Foreign Minister Sergei Lavrov and his Ukrainian counterpart Dmytro Kuleba on Thursday failed to yield any breakthrough. Meanwhile, the European Central Bank said on Thursday it will end asset purchases in Jul-Sep if inflation does not come down even as it admitted the war in Ukraine may drive it higher. It raised inflation projection to 5.1% for the year, sharply up from the earlier projection of 3.2%, while slashing growth forecasts. On the flip side, crude oil prices settled lower on Thursday after a volatile session as Russia pledged to fulfill contractual obligations and some traders said supply disruption concerns were overdone. This is expected to provide support to the Rupee.



**Technical Outlook:**

- USD-INR (MAR) has formed a “Rising channel” pattern on the daily chart.
- The market is expected to continue its bullish momentum based on the current price action. Once the price breaks and sustains above the resistance level of 77.20, the upside rally could test the level of 77.60-78.30 in the upcoming sessions.
- On the contrary, if the resistance holds strong then the market might turn bearish once again and the downside rally could test 76.20 – 75.30 levels in the upcoming sessions.
- **USD-INR has its major support at 75.30 and resistance at 77.20.**

**Weekly Pivot Table**

Currency	S2	S1	Pivot	R1	R2
USD/INR	75.60	76.12	76.72	77.24	77.84
EUR/INR	82.84	83.64	84.18	84.98	85.52
GBP/INR	98.98	99.72	100.85	101.59	102.72
JPY /INR	65.11	65.65	65.93	66.47	66.75

