

**Dollar Edges Higher; Dovish Powell Limits Gains:**

The dollar edged higher Friday after President-elect Joe Biden outlined his plans for additional stimulus, but gains are likely to be limited after Federal Reserve Chairman Jerome Powell declined to join any discussion about reducing monetary stimulus. Biden also released details of his \$1.9 trillion spending plan overnight, including more direct payments to households, an expansion of jobless benefits and an enlargement of vaccinations and virus-testing programs.

Still, gains are limited after Fed Chair Jerome Powell adopted a very dovish tone in a live-streamed interview on Thursday, although he didn't explicitly rule out a tapering of bond purchases toward year-end. The Fed doesn't expect to raise interest rates until 2023 at the earliest.

The Dollar Index, which tracks the greenback against a basket of six other currencies, was up 0.1% at 90.267, rebounding last week from the three-years low of 89.165.



**Technical Outlook:**

- USD-INR JAN future traded near to its critical support zone near to 73 on a daily chart.
- The market is expected to continue its bearish momentum based on the current price action. Once the price breaks and sustains below the strong support level of 73, then the downside rally could test the levels of 72.50-71.80 in the upcoming sessions.
- On the contradictory, if prices close above the resistance level of 73.60 then the market might have a chance to turn bullish once again. The upside rally could test 74.10-74.80 levels in the upcoming sessions.
- **USD-INR has its major support at 73.00 and resistance at 73.60.**

**Weekly Pivot Table**

Currency	S2	S1	Pivot	R1	R2
USD/INR	72.68	72.92	73.28	73.52	73.88
EUR/INR	88.11	88.45	89.07	89.41	90.03
GBP/INR	98.63	99.22	99.80	100.39	100.97
JPY /INR	70.03	70.30	70.55	70.82	71.07