

**USD/INR: Rupee under Pressure as Covid Fears Hit Sentiment**

The Indian Currency pair (USD/INR) rallied on the second session and settled flat at 72.61 on Friday. The Rupee gets weaker ahead of rising concerns of the resurgence of covid. A spike in covid cases in India has also led to the emergence of a double mutant variant which has added to concerns that the government is struggling to keep a handle on the outbreak. The US Dollar pushing higher on safe-haven flows. Rising covid cases in Europe are unnerving investors and the potential of tax hikes in the US added to the risk-off mood. Europe is experiencing a steep rise in covid cases. The largest economies within the region, Germany, France and Italy have tightened lockdown restrictions once again to bring covid cases under control. Investors fear that a longer lockdown will have an impact on economic recovery. As a result, investors are selling out of European assets and are looking to the US Dollar for its safe-haven properties.



**Technical Outlook:**

- USD-INR (APR) future prices managed to sustain above the support level of 72.50 on the weekly chart.
- The market is expected some reversal in prices for the resistance range of 73.30-73.80.
- Fresh selling is recommended only when the prices break and sustain below the support level of 72.50, the downside rally could test the level of 71.80-71.20 in the upcoming sessions.
- Alternatively, if the support holds strong then the market might turn bullish once again and the upside rally could test 73.30 – 73.80 levels on the upcoming sessions.
- **USD-INR has its major support at 72.50 and resistance at 73.30.**

**Weekly Pivot Table**

Currency	S2	S1	Pivot	R1	R2
USD/INR	71.89	72.12	72.60	72.83	73.31
EUR/INR	85.10	85.57	86.34	86.81	87.58
GBP/INR	99.29	99.89	100.65	101.25	102.01
JPY /INR	66.00	66.33	66.93	67.26	67.86