

Rupee closed higher on Friday:

The Indian rupee opened stable and closed higher on Friday after the US dollar strengthened sharply against major currencies on Thursday on the back of strong economic data in the US, which reinforced the market's expectation for monetary policy tightening by the US Federal Reserve. US Federal Reserve indicated it was likely to raise rates in March, as per expectations, and reaffirmed plans to end its pandemic-era bond purchases that month before launching a significant reduction in its asset holdings. Investors are reportedly pricing in nearly five Fed rate hikes this year, up from three expected as recently as December, following Fed Chair Jerome Powell's hawkish comments on Wednesday. On the flip side, domestic and Asian equity indices recovered their earlier losses as supported by strong US economic data. This is likely to support sentiment for the rupee. Moreover, sentiment for the rupee may be further supported because private and foreign banks are expected to continue selling dollars for overseas investments into Adani Wilmar's initial public offering.

1-USDINR.22.02 Feb - 28/01/22



Technical Outlook:

- USD-INR (FEB) has formed a “Rising channel” pattern on the daily chart.
- The overall trend is bullish but, fresh buying is recommended only when the prices break and sustain above its 61.8% Fibonacci retracement level of 75.50, the upside rally could test the level of 76.20-76.80 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 75.50.**

Weekly Pivot Table

| Currency | S2 | S1 | Pivot | R1 | R2 |
|----------|--------|--------|--------|--------|--------|
| USD/INR | 73.87 | 74.60 | 75.07 | 75.80 | 76.27 |
| EUR/INR | 83.14 | 83.53 | 84.15 | 84.54 | 85.16 |
| GBP/INR | 100.12 | 100.54 | 100.97 | 101.39 | 101.82 |
| JPY /INR | 64.50 | 64.84 | 65.41 | 65.75 | 66.32 |