

**Rupee firm on US-China trade deal optimism:**

Indian rupee strengthened marginally against the US dollar on Tuesday tracking Asian currencies which gained on optimism that a US-China trade deal will be signed soon. White House's trade adviser on Monday said the US-China Phase 1 trade deal would likely be signed in the next week, but added that a confirmation would come from President Donald Trump or the US Trade Representative.

In the year so far, the rupee has weakened 2.1%. Foreign investors have bought nearly \$14.47 billion in Indian equities and \$3.72 billion in debt.

The dollar index, which measures the US currency's strength against a basket of major currencies, was at 96.663, down 0.08% from its previous close of 96.740.

9-USDINR.Rolling - 31/12/19  
SMA(CloseLine:54)



**Technical Outlook:**

- USD-INR Jan future has formed a “Pennant” pattern on a daily chart.
- The market is expected to continue its bullish momentum based on the current price action. Once the price breaks and sustains above resistance level of 71.80, the upside rally could test the level of 72.60 in the upcoming sessions.
- On the contradictory, if the resistance holds strong then the market might have a chance to turn bearish once again. The downside rally could test 71.00-70.30 levels in the upcoming sessions.
- **USD-INR has its major support at 71.00 and resistance at 71.80.**

**Weekly Pivot Table**

Currency	S2	S1	Pivot	R1	R2
USD/INR	71.254	71.426	71.527	71.698	71.799
EUR/INR	79.033	79.484	79.723	80.174	80.413
GBP/INR	92.03	92.845	93.268	94.083	94.505
JPY /INR	65.169	65.313	65.407	65.551	65.644