

VIEW

Global currency market remained on holiday mood following by Christmas vacation in this week which lead to thin trading volume. Against our hope, Rupee depreciated while tracking the firmness in crude oil prices which hit three month high on positive US and Chinese trade development. Due to lack of global cues, we do not find much movement on either of side. However steady rise in oil, foreign fund outflow and strong US currency can push domestic currency on lower side.

TECHNICAL FACTORS-

- a) Pair stands on crucial juncture where it is expected to form Head and shoulder although the formation of left shoulder is still left behind
- b) The momentum oscillator RSI bounced back from oversold region but it may face resistance from its falling trendline
- c) A decisive close above 71.60 followed by 72 will violate this reversal pattern and Rupee can lose weakness till 72.60 mark
- d) Failure to cross and sustain above 71.60 mark can lead strength in domestic currency and it can surge higher towards 70.50 where neckline of H&S is seen.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.00
Resistance 1	71.6
Close	71.45
Support 1	70.5
Support 2	70.35