

VIEW

Indian currency will continue to extend its weakening streak, dragged down by carnage in equity market as 2020 union budget failed to bring in measures to boost consumption. Rising fear of coronavirus already dented the sentiment of investors in the Indian currency market and failure to meet fiscal target in upcoming year will further dampen the sentiment. Alongside pull-off in the investment limit for portfolio investors in corporate bond from 9% to 15% is likely to underpin the currency.

TECHNICAL FACTORS-

- a) Formation of higher highs and higher lows suggest that rupee will face selling pressure
- b) From last few months, pair has been trading around 61.8 % fibonacci retracement of its slump measured between 74.50 and 68.28 mark at 72.15 mark. Therefore, the latest advance could be considered corrective for rupee
- c) Technical indicators hovers within neutral levels lacking directional strength
- d) Upside will look more constructive if the pair surpasses above 72.15 with scope then to correct towards 72.40 first and 72.65 later
- e) Strong support is seen at 71 followed by 70.50 mark where it bottomed at the end of december 2019

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	72.40
Resistance 1	72.15
Close	71.55
Support 1	71
Support 2	70.50