

VIEW

In line with our projection, Bears won the battle and retained the upper hand in USDINR pair trading. Strong rebound in equity market and foreign fund inflow helped rupee to gain strength. Persistent FX purchases by the central bank will help to adjust the volatility in the currency market. However, there still exist concerns from coronavirus and ongoing tension between US & china which will keep the market on edge. All in all, the pair may continue to trade while exhibiting a bearish bias over the coming days. The decline may not be steep and intensive but the upside, if it arises then it will remain capped.

TECHNICAL FACTORS-

- a) Little bounce back was seen in the pair which eventually fizzled out near its key resistance
- b) Emerging Head and Shoulder pattern is seen on daily chart which signal the presence of bears
- c) Construction of right shoulder below negative crossover of 20 & 50 SMA suggest downward move
- d) Prices are tagging the lower bollinger band in shorter time frame of chart and negative curve has seen in momentum indicators
- e) Technical breakdown is expected below 74.45 and pair can slip down till 73.90 and 73.45 mark
- f) A decisive close above 75.70 mark will invalidate the impact of H&S pattern

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	76.15
Resistance 1	75.7
Close	74.89
Support 1	74.45
Support 2	73.90