

Rupee remains flat

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The rupee (INR) remained flat over the past week. It ended at 82.3313 against the dollar (USD) on Monday. This is despite good foreign inflows. According to the NSDL (National Securities Depository Limited) data, the net inflows over the past week stood at over \$400 million. This was supported by good inflows in the equity market, which is now seeing a bit of a recovery.

That said, the rupee is likely

WEEKLY RUPEE VIEW.

to face some downward pressure as the price of crude oil has risen sharply this week, and the price might sustain at a higher level, at least in the coming week. The prices shot up following the OPEC's announcement of a production cut in their latest meeting.

Overall, the risk seems to be evenly balanced, and the USD/INR currency pair is likely to stay flat in the near term. The chart, too, is hinting that the currency is likely to move sideways.

The rupee, currently trading at around 82.33, faces resistance at 82.15. While it could not breach this barrier, it did not fall either, as 82.50 has been providing support. There is a good chance that the local currency is likely to stay within this 82.15-82.50 range in the near term. A broader range can be 82-83. The rupee has to come out of this broad range to establish the next leg of its trend.

The dollar index, although has largely been flat, the price action gives it a bearish bias. Currently trading at 101.85, the probability of a fall is high. The nearest support is at 101. Subsequent support is at the crucial level of 100. The dollar index has to move above 105 to change the near-term trend positive. Until it stays below 105, the bias will be bearish, and this can help the rupee.

OUTLOOK

The positive impact from the potential FPI inflows and the downward pressure from rising crude oil prices are likely to balance out. This can effectively keep the rupee flat in the near term. We expect the INR to stay between 82.15 and 82.50 this week.