# Short-term movement of Re may be range-bound

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The rupee gained marginally against the dollar on Tuesday and ended at 82.6062. The rupee-dollar remained volatile over the past week. The rupee appreciated to mark a two-week high of 82.27 last Thursday, but has now weakened to 82.6062.

## WEEKY RUPEE VIEW.

The domestic unit fell, despite healthy foreign inflows in June so far. According to the NSDL (National Securities Depository Ltd) data, the net FPI (Foreign Portfolio Investors) inflows this month stands at $987 million as on Tuesday. Despite the volatility in prices of late, the crude oil too, did not rise much to impact the Indian currency. The Brent crude oil futures continue to trade below $78 a barrel.

The chart shows that the rupee is likely to stay flat for this week. However, over the next few weeks, it might slip below the important level of 83 as per a pattern formation.

### CHART

The rupee found resistance at 82.30 last week and fell back to the current level of 82.60. From here, there is a support at 82.70. On the other hand, there is a barrier at 82.25. Therefore, the probability is high for the rupee to stay within these levels over the next week.

Notably, the price action since October shows that the rupee-dollar pair has been charting a triangle pattern. According to this, the local currency might slip below the key 83-level and could touch 85.50 over the medium-term. Yet, as long as the support at 83 holds, there is always a chance for a recovery.

The dollar index (DXY), which saw a minor correction last week, is attempting to resume the rally. After taking support at 103.50, DXY has now risen back to 104.25. If the index gets over the hurdle at 104.50, it can establish a fresh leg of uptrend, potentially to the 105.80-106 price band.

### OUTLOOK

In the upcoming sessions, the rupee is likely to stay range bound. However, strong dollar and the triangle pattern formation in the rupee-dollar chart shows that the rupee could breach the support at 83 in the coming weeks.