

# Rupee stuck in a narrow range

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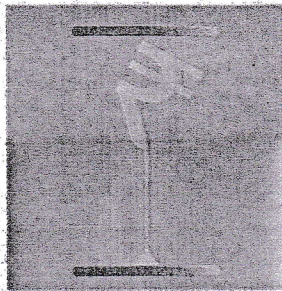
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The rupee has not gone anywhere in the past week. The domestic currency has been stuck in a narrow range of 83.91-83.99 over the last one week. It had stayed stable amid a volatile dollar and a sharp fall in the crude oil price.

## WEEKLY RUPEE VIEW.

The dollar index has risen back sharply from the low of 100.58 made on Friday. It is currently trading at 101.65. The Brent crude oil on the other hand has tumbled from around \$78 per barrel to \$71.45 now.

The crude oil price will need a close watch now. The sharp fall over the last one week has dragged the price well below a key support level of \$75. As long as the price stays below \$75, the outlook will remain bearish.



The rupee is expected to break at 84 and fall to 84.30-84.50 in the coming weeks

Immediate support is at ₹71. A break below it can drag the Brent crude oil down to \$65 in the coming weeks. The above-mentioned fall in oil should actually be very positive for the rupee. But the recent fall from \$78 to \$71.45 has not made any impact on the rupee. So, will the fall to \$65 in Brent will aid in strengthening the rupee remains a question.

### DOLLAR OUTLOOK

The dollar index (101.65) has an immediate support at

101. As long as it stays above this support, a rise to 102.50 is possible this week. The price action thereafter will need a close watch.

A break above 102.50 will be bullish to see 104 on the upside. On the other hand, a reversal from around 102.50 can drag the dollar index down to 101 and even 100 again. The US Consumer Price Index (CPI) inflation data release on Wednesday will be important to watch.

### RUPEE OUTLOOK

As mentioned above, the rupee has been stuck in a very narrow range of 83.91 and 83.99 over the last one week. This keeps the broader 83.75-84.00 range that has been in place since the first week of August.

Broadly the outlook is unclear. The 83.75-84 range can continue to remain intact for some more time. On the charts, the bias is negative. As such, we can expect the rupee to break at 84 and fall to 84.30-84.50 in the coming weeks.