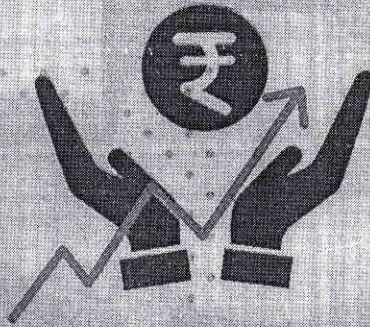


# Rupee shows positive inclination



**Akhil Nallamuthu**  
bl. research bureau

The rupee appreciated marginally on Tuesday to end at 82.37 versus the dollar.

That said, over the past week, it has advanced by nearly one-third of a per cent compared to the preceding Tuesday's close of 82.60.

## WEEKLY RUPEE VIEW.

The foreign inflows helped the rupee to move up.

According to the NSDL (National Securities Depository Limited) data, the net FPI (Foreign Portfolio Investors) inflows over the past week stood at about \$420 million. In June so far, the net inflows is at a little over \$1.4 billion.

Also, drop in price of crude oil too helped the Indian currency because of their inverse relationship. Over the past week, the Brent futures dropped by over 4 per cent and is now at around \$73 a barrel.

Note that, on Wednesday night, the US Federal Reserve will come out with their monetary policy. FOMC's economic projections will also be released.

These are likely to have a considerable impact on dollar-rupee pair and we might see increased volatility.

## WHAT THE CHART SAYS

Even though the rupee gained over the past week, it remains within the range of 82.25-82.60. If the local currency gains further and moves past 82.25, it can rise to 82 – a strong resistance. Subsequent resistance is between the price band of 81.70-81.60.

On the other hand, if rupee falls from here, the nearest supports it can find are at 82.60 and 82.85. Below these is the important level of 83.

The dollar index over the past two weeks, has been inching down. It faced resistance at 104.50 in early June and has now fallen to 103.30.

The price action hints that it could fall further, possibly to 102.50. In such a case, rupee can appreciate to 82.

## LIKELY VOLATILITY

We might be witnessing higher volatility this week, especially post US Fed announcement.

However, as it stands, the bias is positive for the rupee technically. We expect it to move past 82.25 and touch 82.10 over the next week.