

Rupee largely flat at 82.66 vs \$

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Rupee was largely flat on Tuesday and closed at 82.6662 against dollar. In line with our expectation, the Indian currency was largely flat over the past week. This was despite good foreign inflows and lower crude oil prices.

WEEKLY RUPEE VIEW.

According to the NSDL (National Securities and Depository Ltd) data, the net FPI (Foreign Portfolio Investors) inflows stood at nearly \$600 million in the last week. In addition, the dollar and the price of crude oil have been low of late. So, the weakness in the rupee is because of the risk-off sentiment triggered by the banking



crisis. However, going ahead, there are chances for the domestic unit to stage a recovery.

CHART

The rupee was trading well within the price band of 82.15 - 82.70. That said, the candlesticks of the last two days hint at some buying. So, currently trading at 82.67, we might see the rupee rallying to 82.15 in the coming week. A breach of this can take it to

81.80. On the other hand, if there is a decline, the price band of 83 - 83.10 can provide good support. In case these levels are invalidated, we might see a quick fall, possibly to 84.

The dollar index (DXY) slipped below the support at 103.5 on Monday. This has increased the chances of further fall. The immediate support is seen at 101.50 with the subsequent one at 100.8. Overall, the bias is going to be bearish for the dollar and this can keep the rupee afloat.

OUTLOOK

As the dollar weakens further, we can expect the rupee to gain traction and appreciate in the coming days. We anticipate the Indian currency to move up to 82.15. There is also a chance for an extended rally to 82 this week.