

Rupee likely to remain sluggish

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The rupee on Tuesday ended almost flat and closed at 82.0325 versus the dollar. There has not been much movement for nearly two weeks as the domestic currency has been range bound.

WEEKLY RUPEE VIEW.

This was despite strong foreign inflows. According to National Securities Depository Limited data, the foreign inflows in the past week have been \$1.2 billion. For the month so far, the net FPI (foreign portfolio investors)

inflows stood at \$3.5 billion as of June 27.

The dollar gained towards the end of last week but the strong inflows aided in limiting the downside in the rupee.

Reflecting this, the charts too do not give a hint at the possible direction of the next move. Nevertheless, we have discussed below the key levels to watch out for.

CHART

For about two weeks, the rupee has been oscillating within the range of 81.85-82.15. If the rupee manages to resume the uptrend and rally past 81.85, it could see a swift rally to 81.60.

The upswing could even



extend to 81.40. On the other hand, if the rupee falls below 82.15, we may see it depreciate to 82.50, a support, quickly. Subsequent support is at 82.75.

The dollar index (DXY) rallied towards the end of last week. However, so far

this week, DXY has been sluggish. It is hovering around 102.50. If it drops from here, the nearest support is at 102. Next support lies at 101.

In case the index moves up, the nearest resistance is at 103.20, which capped last week's rally. Potential barrier above this level is at 104.50.

OUTLOOK

As it stands, the rupee is likely to continue to trade within 81.85 and 82.15. Whether the rupee will see an upswing or downswing from here depends on the direction of the breach of this range.

So, one needs to be watchful of these levels.