



6 July 2021

Spot rupee snaps 4-day losing streak, closes 43 paise higher at 74.31/USD

The rupee snapped its four-day losing streak to settle 43 paise higher at 74.31 (provisional) against the US dollar on Monday, tracking a firm trend in the domestic equity market. At the interbank forex market, the local unit opened at 74.51 against the greenback and witnessed an intra-day high of 74.00 and a low of 74.55. Moreover, the expectation of foreign fund inflows this month also supported the rupee as there are 11 IPOs lined up. Near-term focus will remain on the movement of the dollar index, crude oil prices, and risk sentiments. From the level front, spot USDINR is having support at 73.60 and resistance at 75.10. Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, dipped 0.08 per cent to 92.15.

Dollar dips as rate hike fears ebb, Fed minutes awaited

The dollar dipped against a basket of major currencies on Monday, after hitting a speed bump when last week's mixed bag of U.S. labour data allayed investor fears about a faster end to monetary stimulus.

While the headline June job creation figure beat forecasts, unemployment ticked higher and workforce participation didn't budge - suggesting positive progress, but space for the Federal Reserve to wait before tapering asset buying or hiking rates.

Pound Euro Exchange Rate Rises ahead of UK PM Boris Johnson's Lockdown Announcement

The Pound Euro (GBP/EUR) exchange rate rose by 0.5% today. Demand for Sterling has grown as Prime Minister Boris Johnson prepares to make announcement on July's easing of lockdown restrictions. The pairing is currently fluctuating around €1.16.

Sterling has risen on renewed confidence in the UK's economy today with the easing of lockdown restrictions this month to further fuel the nation's economic recovery in the months ahead.

Pair	Close	% Change
USDINR	74.48	-0.57%
EURINR	88.51	-0.18%
GBPINR	103.20	0.18%
JPYINR	67.25	-0.05%
EURUSD	1.188	0.71%
GBPUSD	1.386	0.40%
USDJPY	110.78	-0.47%

FII Flows (INR cr.)			
	5-Jul-21	Month	Year
Equity	-338	-3744	56600
Debt	77	-118	-22269

Symbol	Last	Change	% Change
Gold	1806.40	23.10	1.30%
Brent Crude	77.47	0.31	0.40%
US 10 Year Bond Yield	1.45	0.01	0.96%
India 10 Year Bond Yield	6.16	0.07	1.13%

Symbol	USD	EUR	GBP	JPY	CHF	CAD	AUD
USD	1	0.841	0.720	110.81	0.920	1.231	1.318
EUR	1.189	1	0.856	131.78	1.094	1.464	1.567
GBP	1.389	1.168	1	153.95	1.278	1.710	1.831
JPY	0.009	0.008	0.007	1	0.008	0.011	0.012
CHF	1.087	0.914	0.783	120.440	1	1.338	1.432
CAD	0.813	0.683	0.585	90.040	0.748	1	1.071
AUD	0.759	0.638	0.546	84.090	0.698	0.934	1

Currency		Support and Resistance				
Symbol	Expiry Date	S2	S1	Pivot Point	R1	R2
USDINR	28-Jul-21	74.24	74.36	74.58	74.70	74.92
EURINR	28-Jul-21	88.33	88.42	88.55	88.65	88.78
GBPINR	28-Jul-21	103.08	103.14	103.22	103.28	103.36
JPYINR	28-Jul-21	67.12	67.18	67.24	67.30	67.36
EURUSD	28-Jul-21	1.185	1.187	1.188	1.189	1.190
GBPUSD	28-Jul-21	1.378	1.382	1.384	1.388	1.390
USDJPY	28-Jul-21	110.43	110.60	110.93	111.10	111.43

Technical View

Bullish Scenario: A sustained move over 74.91 will signal the presence of buyers. This could trigger the start of a rally with potential upside targets coming in at 74.35 and 75.40

Bearish Scenario: A sustained move under 72.60 will indicate the presence of sellers. This could trigger a short-term break into a minor pivot at 72.20. Since the main trend is up, buyers could come in on a test of this level. If it fails then look for the selling to possibly extend into 71.50 for a retest of the main bottom.



