

**Abort in DXY rally and knee jerk bounce in European Fx, Ruble rally seen strange****Indian Rupee- Outlook and Hedge trade Recommendations**

Currency	Indicative	Trading Range	Hedge advice for import	Hedge advice for exports.	Technical trend
USDINR	77.55	77.30-77.70/77.90	65-80% hedge/optimum hedge	Near term export optimum hedge/ Far end 40% hold	Bearish with temporary resistance

Outlook: INR is actually a silent spectator and on receiving end without participating the currency tussle. Dollar index is losing its gain slowly but continuously. All developed currencies are now marching back after making their periodical highs, that is majorly on account of USD weakness and partly on account of their own strength. EURO is gaining majorly on USD fear of weak economy and weaker data present this week, while JPY is more on its positive hope from its economy.

INR value is showing resistance against Dollar but not on its own merit, instead USD is getting weaker against others and that is evident by eroding INR value against EURO/GBP/JPY. INR is holding the ground until US economic data starts showing improvement or market changes its perception from negative to positive for US. After that we fear that INR may hit new lows.

Hedge Trade Recommendations: Near term hedge is recommended for both importer as well as exporter. Importers with thinner margins are advised not to take risk on un-hedge deals, while exporters are advised to keep exposure covered at least near term.

Currency	Indicative	Trading Range		Tec. trend
EURINR	83.48	82.90-83.90/84.50	EURINR posted decent recovery amid broader bounce in Global EURO. This is recovery may be seen as a global USD weakness and not as a EUR firmness. Imports and Exports both should be optimum hedge for near term.	Sideways

Outlook: Amid weak US economic data and falling US treasury yields are supporting other developed currencies and EURO is gaining on that. While INR has no news/event/sentiment against Dollar, it is continuously weakening against other currencies. EURO/INR is heading towards short term resistance range of 83.50-83.90, breaching that we may see it crossing 85 also in a short span of time. Despite surged in Ruble and soaring energy prices- intense energy war between Europe and Russia, current EUR recovery against major global FX is a strange move.

Hedge trade Recommendations: Though direct exposure to Euro is unlikely, if its there then a EURO long exposure can hold for a better value while short side exposure is not recommended.

Currency	Indicative	Trading Range		Tec. trend
GBPINR	98.22	97.70-99	We may see mixed volatility here. Wild and unexpected rally in Ruble, sudden drop in DXY, political instability in UK about lockdown party controversy- covid spike in US- Stay fully hedge in both exposures.	Sideways

Outlook: just like EURO, GBP also gaining against USD with a sideways to up trend, since RUPEE is just maintaining its value against Dollar, hence it is depreciating against other gaining currencies and GBP is one among them.

Currency	Indicative	Trading Range		Tec. trend
USDJPY	126.78	125.70-127.20	JPY posted smart rebound after Joe Biden Quad meeting and talk of increased economic cooperation between US allies. JPY might have formed bottom. Bounce may extend towards 122-123. Short term bottom is seen at 130.	JPY gaining strength

Outlook: Japan economy is building hope among participants and same time losing dollar index is supporting JPY values. It seems JPY has made its peak against USD and now is on way to recover lost ground back. Technically it has breached support level of 127 and now heading for 122-123 levels.