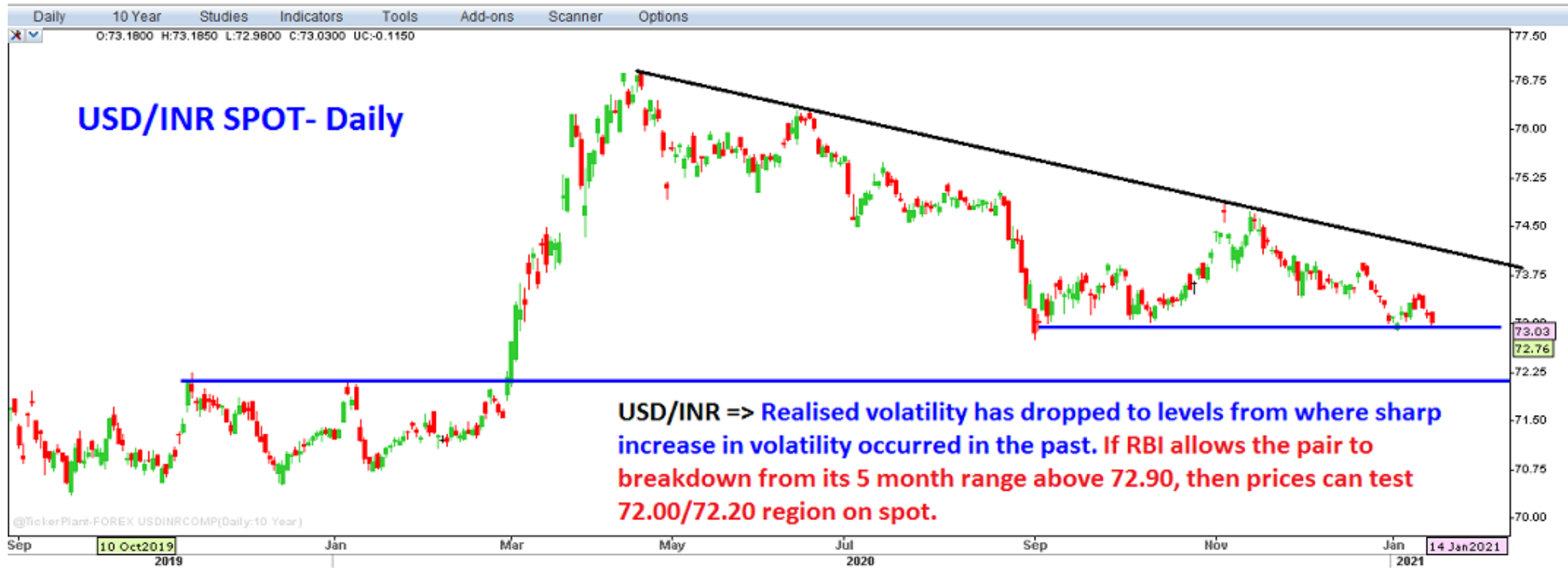




***FXI- US stimulus may stimulate the Rupee...***

*Anindya Banerjee, CMT, CFTe, CCRA*

# USD



- ✓ Asian equity markets are higher after US President elect **announced \$1.9 trillion stimulus.**
- ✓ US Dollar is trading flat against major currencies in Asia & Europe.
- ✓ USD/INR may open near 73.20 levels on Jan futures. **Support @ 72.90 & resistance @ 73.55.**
- ✓ With high forward premium in USDINR, speculators may **be tempted to build shorts in USD.**
- ✓ If RBI reduces the pace of intervention, then **USDINR can decline towards 72.20 levels.**

# EURO



1. US central bank chief clearly hinted at no early exit from monetary stimulus.
2. US jobless claims jumped to highest level since August'20 due to ongoing lockdowns.
3. European economy has been resilient in the face of stringent lockdowns, but it can not remain immune. Hence, EURUSD & EURINR has been under selling pressure.
4. **EURINR Jan fut has support near 88.60, followed by 88.10/20 zone. Resistance is near 89.00/89.20 zone.**

# GBP



- ✓ **Post Brexit ordeal will be a long one but right now GBP is not much focused on it. Neither it is paying much attention to stringent lockdowns in place in UK.**
- ✓ **GBP has a fairly strong +ve correlation with EM equity indices. As long as EM equities are doing well, GBPUSD can push higher.**
- ✓ **GBPUSD is a buy on decline with SL below 1.3580 on a cls basis. Target 1.3835/50.**
- ✓ **GBPINR Jan fut is a buy on decline. Support: 99.70 & 99.20. Resistance: 100.40 & 100.80.**

JPY

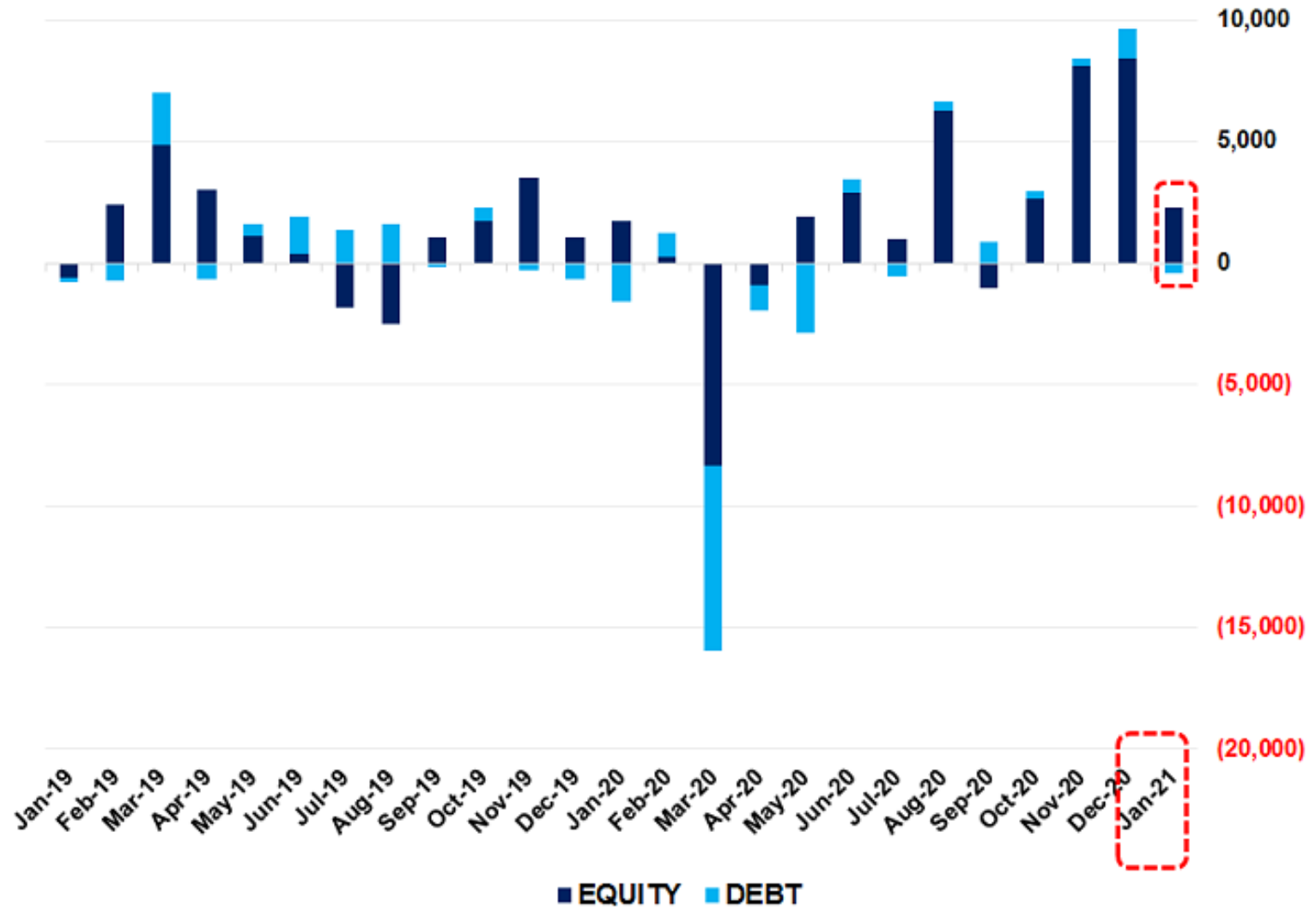


1. For JPYINR continues to respect the broad range of 69.00 and 72.00. One day this range will break but it may require some major change in the macro economy and financial markets for that to happen.
2. No fresh trades in JPYINR at the moment. I will wait for trading set ups to emerge before I act. For now, stick to intra-day trades.

**STRATEGIC  
BETS**

<b>FX PAIR</b>	<b>POSITIONAL VIEW (1 to 2 MONTH)</b>
<b>USD/INR</b>	Due to the expected liberal policies of new US President, FPI/FDI inflows can increase into India. This can steer USDINR DOWNWARD, towards 72.50 levels on spot.
<b>EUR/INR</b>	Due to concerns of ECB over strong Euro and stringent virus lockdown being in place in Eurozone, EURINR may remain within a range of 88.00 and 90.00 levels on spot.
<b>GBP/INR</b>	Due to lack of fresh triggers, GBPINR may remain within a range for the next couple of months. Hence, selling closer to 101 is advised with stop above 101.50. At the same time, buying can be done, if prices drop near 98.50/80 levels.
<b>JPY/INR</b>	JPYINR has been stuck within a wide range of 69.00 and 72.00 since April. This range may not break soon. Interim support is near 70.40 and then 69.50

FPI FLOWS IN INDIAN CAPITAL MARKETS (\$ Million)



FPI  
FLOW

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