



CURRENCIES SNAPSHOT

PAIR	USDINR	EURINR	GBPINR	JPYINR
TREND	Sideways to Bearish	Mild Bullish	Bullish	Bullish
SUPPORT	82.70	90.30	105.50	56.20
RESISTANCE	83.00	90.90	106.50	56.80
GLOBAL PAIR	DOLLAR INDEX	EURUSD	GBPUSD	USDJPY
	Mild Bearish	Mild Bullish	Bullish	Bearish
EVENT	30-y Bond Auction @10:31	Industrial Production MoM	GDP MoM @12:30 PM	-
TECHNICAL ANALYSIS	<i>USD/INR is trading below its 6-month major support at 82.80/82.70; Potential for further decline to 82.50/82.40</i>	<i>EUR/INR Shows Bullish Momentum Since Feb 15th, likely to remain bullish until hold above 89.50</i>	<i>GBP/INR maintains Bullish movement, showcasing higher highs and lows; above 105.50 bullish momentum may triggered</i>	<i>This Pair (JPY/INR) shows ultra bullish movement surpassing its 2-months high at 56; Currently in overbought Territory.</i>

Rupee May Slip Below 83.00 Against Dollar If Bank of Japan Ends It's Negative Rates Policy Next Week.

In the midst of ending the negative rates in Japan, the Bank of Japan is considering offering numerical guidance on government bond purchases when ending negative interest rates and yield curve control to prevent market disruptions as reported by Reuters.

Inflation in Japan surpassing 2% for over a year, the BOJ may pull short-term rates out of negative territory soon with a possible abandon of YCC (yield curve control). Key to monitor whether BOJ's forward guidance remains more hawkish than expected.

If that could be the base then any substantial appreciation of the yen

towards 140-143 against the dollar could lead to a decline in carry trades (borrowing from low yielding currency and parking it in high yielding currency) impacting currencies like the euro.

This could potentially cause the euro to fall against the yen and the dollar as well. As a result, the cascading impact may be seen in Indian rupee which may depreciate below 83.00, while Asian markets could shift to a risk-off mode gradually. Key watch next Tuesday BoJ meet.

Meanwhile the US Dollar trading steady in Asia after U.S Inflation index rose for the second straight month in February. However derivatives markets are still pricing-in 67% probability for a 25 bps cut at the June 11-12 Fed meeting.

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