

## USD-INR: More pain ahead. Downgrade target to 57

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Below given is the Daily chart of the USD-INR. A clear strong uptrend is visible. After a strong up move from 44 to 50 we can see a sideways consolidation after which the trend was resumed. The Breakaway Gap (shown in the chart) formed on the 22 September 2011 now becomes the pivotal point for the move and hence the lower end of the consolidation i.e. 48.6 becomes the most critical support for the USD-INR.

As per our report released on the 3 October 2011 (attached along with this email) we had given a target of 53. The USD-INR hit a high of 52.73 on 22 November after gapping up and formed a bearish hanging man pattern. The move on 23 November is that of a shooting star and filled the gap formed day before showing signs of exhaustion in the short term. Although in the short-term the USD-INR looks over bought the uptrend remains intact.

**We believe any correction/ consolidation is only a pause in the uptrend and the rupee will continue to depreciate with an eventual target of 57 by March 2012. Levels of 50.67 and 49.33 will act as strong supports in any correction/ appreciation.**

### USD – INR - Daily chart (CMP 52.23)



Below is the weekly chart of the USD-INR. After having a strong uptrend from Jan 2008 to March 2009 the Rupee retraced 61.8% of the entire move and took support at 44.1 levels multiple times and now has resumed the uptrend after breaking out of the triangle pattern as shown. The RSI is also in bullish territory as shown in the chart.

A clear flag pattern can be observed on the weekly charts as shown with a pattern implication of 57.

## USD-INR - Weekly Chart



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