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Pennywise

Experts' Take On Money Trends For The Week

CURRENCY

Rupee will Inch Closer to 44 Levels Again



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In the last week, the rupee consolidated from the highs of 44 levels. The main reasons were the recovery in dollar in the beginning of the week in the global markets and the trading week in India was a shorter one with two holidays falling in the week. Therefore, all traders were not taking positions like in a normal week.

The week ended with a weaker dollar on the back of a weaker US data, and gold saw new highs due to the

same in the last week.

Last week, there was consolidation and beginning of a new trend for a strengthening rupee. In the coming week, we expect rupee will strengthen due to the weak dollar and constant fund flow into Indian equity markets. We can see the rupee closer to 44 levels again.

The trading range for the rupee is expected to remain between 44.10 and 44.40.

In the global markets, euro debt will continue to be a concern, but that has already been priced into the Euro-Dollar pair. The market is now quite aware of the Euro crisis and the triggering points of the crisis. Therefore, we may not see only some knee-jerk reaction and it may not last longer if any news on the euro crisis erupts again.

We expect the oil to be range-bound and it may reach 110 levels again, but may not have much impact on the dollar-rupee movement for now.