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KEY HEADLINE

The Indian **rupee** steadied by the close of trading on Friday after a turbulent week when it tumbled past 81 per dollar to a record low, with traders pointing to central bank intervention to contain the currency's rapid fall.

Rupee mark worst week in 1.5 years, as the partially convertible rupee closed at 80.99 per dollar, against a previous close of 80.86. It fell to a low of 81.2250 during the session before the Reserve Bank of India likely intervened, traders at state-run banks

The dollar index has soared to two-decade highs and risk assets have been battered since the U.S. Federal Reserve late on Wednesday hiked interest rates and took a hawkish stance to fight inflation.

Focus now shifts to the RBI's meeting next week, with its decision due on Friday. With inflation accelerating and the rupee depreciating, a hike is guaranteed, but markets are split on the consensus. Only a slim majority of economists in a Reuters poll expect a 50 basis point hike, while some others see a smaller 35 bps rise. However, several large foreign banks such as Standard Chartered, Barclays and Goldman Sachs have revised their call to a half-point rate increase.

India's foreign exchange reserves fell for a seventh straight week, dropping to \$545.652 billion in the week to Sept 16, its lowest level since Oct. 2, 2020, Reserve Bank of India's weekly statistical supplement showed on Friday. Reserves stood at \$550.871 billion at the end of the previous week.

Currency pair

Currencies	19/9/2022	23/9/2022	Change (%)
USDINR	79.83	81.15	1.60
EURINR	79.83	79.28	-0.60
GBPINR	91	89.75	-1.40
JPYINR	55.86	56.84	1.80

USDINR

RECOMMENDATION: BUY ABOVE 81.20 SL 80.80 TARGET 82

EURINR

RECOMMENDATION: SELL BELOW 79 SL 79.60 TARGET 77.80

GBPINR

RECOMMENDATION: SELL BELOW 89.55 SL 90.40 TARGET 87.70

JPYINR

RECOMMENDATION: BUY ABOVE 57.25 SL 56.70 TARGET 58.50

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