

Currency Movement - Forex rates in USD

Currency	03/09/18	03/16/18	Wk-on-Wk % Change
Indian Rupee (INR)RBI ref rate	65.08	64.87	-0.32
Euro (EUR)	1.23	1.23	-0.15
Japanese Yen (JPY)	106.81	106.01	-0.75
Brazilian Real (BRL)	3.26	3.28	0.76
Chinese Yuan (CNY)	6.33	6.33	0.00
Singapore Dollar (SGD)	1.32	1.32	0.11
Tanzanian Shilling (TZS)	2255.05	2258.40	0.15
Thai Baht (THB)	31.31	31.23	-0.24
Mozambique New Metical (MZN)	62.22	62.20	-0.03
Vietnam Dong (VND)	22760.00	22764.50	0.02
Indonesian Rupiah (IDR)	13771.00	13754.00	-0.12
Benin CFA Franc BCEAO (XOF)	532.82	532.50	-0.06
Ghanaian New Cedi (GHS)	4.44	4.42	-0.34

Indian rupee weakness is likely to continue

Indian rupee may continue to remain weak despite lower inflation and on reports that government may raise limits on foreign investment in debt market. FOMC meeting later this week will show some sort of guidance on FED interest rate hike path. Domestic factors may continue to weigh the Indian markets and the rupee till first week of May when key state of Karnataka goes to polls and on concern over CAD hitting 2 percent of GDP mainly due to higher oil imports.

Indian rupee last week traded in the region of 64.80 and 65.06 and finally settled the week at 64.96 against the dollar on Mar-16-2018.

Resistance is seen in the region of 65.40 and then at 65.50. Support is seen in the region of 64.80 and then at 64.60. Overall rupee may trade in the broader region of 64.60 and 65.50 levels during the next one to two week time frame. One can't rule out rupee retesting the Sep-2017 low of 66 levels soon.



Brazil real may weaken further

Brazil's real weakened after a slew of trade tariff imposed by US on metals (protectionist measures), which may impact the exports. More instability in US administration is causing concerns to investors and its policy direction on key issues.

Brazil real last week was traded in the region of 3.2357 and 3.2977 and finally settled the week at 3.2804 as on Mar-16-2018. Resistance is seen at 3.30-3.36 levels in the near future. Near term support is seen in the region of 3.20 and 3.15.

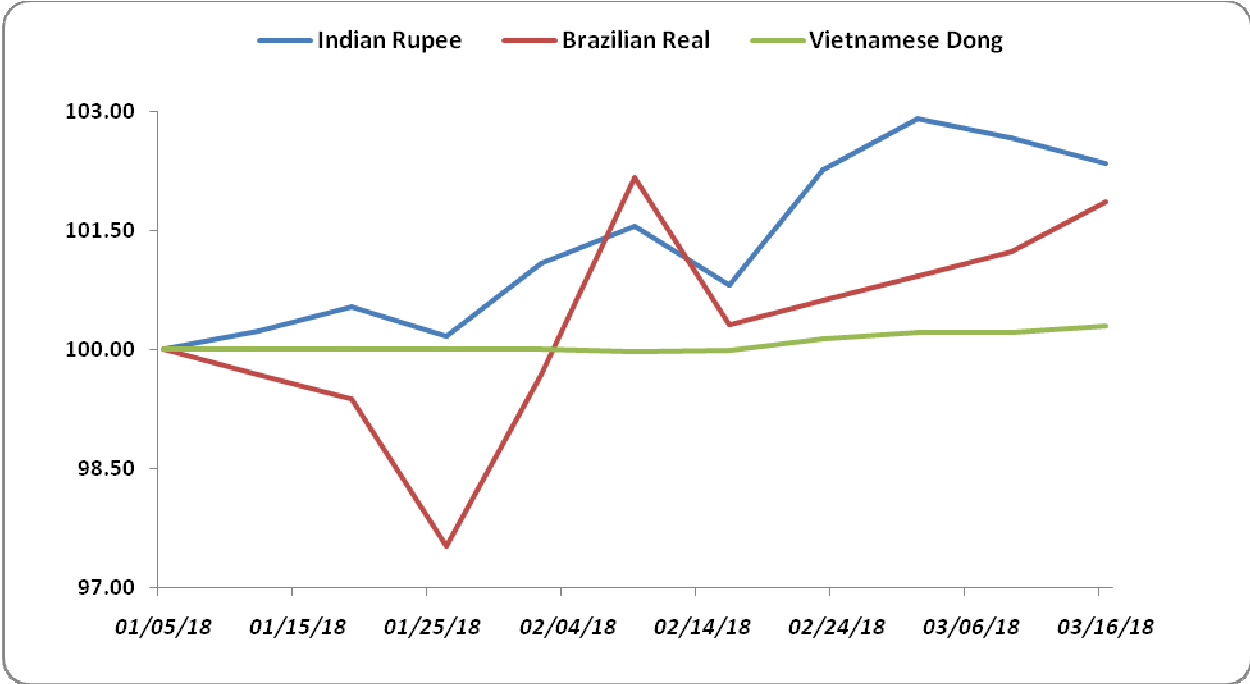


Vietnamese dong may test 22780-22800

Vietnam dong last week traded in the region of 22,751.5 and 22,768.50 and finally settled the week at 22,764.5 against the dollar on Mar-09-2018. Upside for the time being is capped in the region of 22780 and 22800 and unlikely to stay higher. At the same time downside is limited to 22700-22650 against the dollar going forward.

Comparative Movement of Currencies in 2018 (Jan-Mar)

Vis-à-vis USD in cashew processing regions (Weeks starts from January' 2018 and value indexed to 100)



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