

Currency Movement - Forex rates in USD

Currency	01/05/18	01/12/18	Wk-on-Wk % Change
Indian Rupee (INR)RBI ref rate	63.38	63.53	0.24
Euro (EUR)	1.20	1.22	1.67
Japanese Yen (JPY)	113.06	111.04	-1.79
Brazilian Real (BRL)	3.22	3.21	-0.31
Chinese Yuan (CNY)	6.48	6.46	-0.31
Singapore Dollar (SGD)	1.32	1.32	0.00
Tanzanian Shilling (TZS)	2245.25	2245.50	0.01
Thai Baht (THB)	32.17	31.94	-0.71
Mozambique New Metical (MZN)	58.88	58.35	-0.90
Vietnam Dong (VND)	22710.20	22709.50	0.00
Indonesian Rupiah (IDR)	13418.00	13353.50	-0.48
Benin CFA Franc BCEAO (XOF)	548.50	563.00	2.64
Ghanaian New Cedi (GHS)	4.53	4.51	-0.44

Indian rupee may trade within the recent range

Indian rupee last week settled well below 64 for the third successive week at 63.65 against the dollar.

But rising oil prices, widening trade deficit may threaten the recent rally in rupee, as this may lead to higher inflation and may cast shadow on higher public spending. Union Budget is to be presented on Feb-01-2018, which may lead to clear path on the direction of the rupee.



Indian rupee last week traded in the region of 63.24 and 63.84 and finally settled the week at 63.65 against the dollar on Jan-12-2018.

Resistance is seen in the region of 63.84 and then at 64.10. Support is seen in the region of 63.40 and then at 63.20. Overall rupee may trade in the broader region of 63.20 and 64.10 levels in the coming one to two weeks time period.

S&P downgrades Brazil's credit rating from BB to BB-

The rating agency S&P last week downgraded Brazil's credit rating from BB to BB-, due to faltering progress on reform. On citing this, the Brazil government ramped up pressure on congress to pass urgently needed pension reform, where it has been stuck in the congress over the past year. S&P said Brazil's new rating was stable, supported by its strong external accounts and credible monetary policy.

Brazil real last week was traded in the region of 3.2550 and 3.2011 and finally settled the week at 3.2062 as on Jan-12-2018. Resistance is seen in the region of 3.26 and 3.31 levels in the near future. Near term support is seen in the region of 3.15 and 3.12.

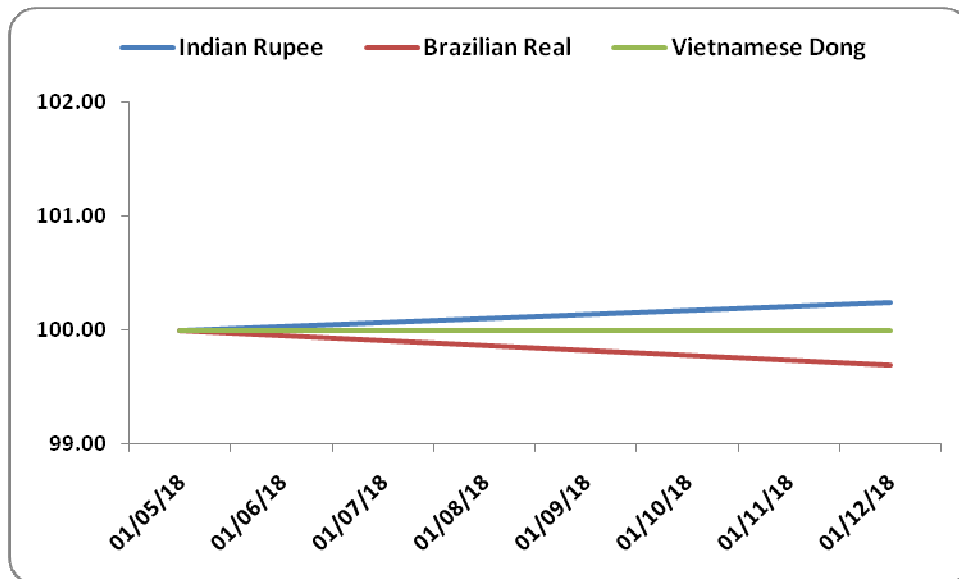
Vietnamese dong may remain stable

The State Bank of Vietnam (SBV) has slightly reduced its open market operation (OMO) interest rate by 25 basis points to 4.75 percent for the first time in four years, in a move to bring down interest rate levels and support economic growth. The government aims at economic growth of 6.7 per cent this year after the local economy expanded by a higher-than-expected 6.81 per cent in 2017.

Vietnam dong last week traded in the region of 22,723.50 and 22706.50 and finally settled the week at 22,709.50 against the dollar on Jan-12-2018. Dong may test the lower support of close to 22700-22650 against the dollar going forward. Upside for the time being is capped in the region of 22750 and 22800 and unlikely to stay higher.

Comparative Movement of Currencies in 2018 (Jan)

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



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