

Currency Movement - Forex rates in USD

Currency	03/16/18	03/23/18	Wk-on-Wk % Change
Indian Rupee (INR)RBI ref rate	64.87	65.13	0.40
Euro (EUR)	1.23	1.24	0.50
Japanese Yen (JPY)	106.01	104.74	-1.20
Brazilian Real (BRL)	3.28	3.31	0.98
Chinese Yuan (CNY)	6.33	6.32	-0.30
Singapore Dollar (SGD)	1.32	1.32	-0.16
Tanzanian Shilling (TZS)	2258.40	2259.25	0.04
Thai Baht (THB)	31.23	31.19	-0.14
Mozambique New Metical (MZN)	62.20	61.96	-0.39
Vietnam Dong (VND)	22764.50	22805.00	0.18
Indonesian Rupiah (IDR)	13754.00	13785.00	0.23
Benin CFA Franc BCEAO (XOF)	532.50	529.50	-0.56
Ghanaian New Cedi (GHS)	4.42	4.41	-0.23

Indian rupee may remain weak

Indian rupee towards the end of last week pared some of the losses and settled at 65.01 against the dollar. The US dollar index weakened after the ongoing hike in trade tariffs on metals initiated by US on Chinese products and the reciprocal action by China. Indian market may remain volatile in the run up to 2019 elections, hiking of interest rates by US FED in periodic intervals during the remainder of this year, trade tariff wars and the introduction of long term capital gain tax may result in FII outflows.



Indian rupee last week traded in the region of 65.24 and 64.97 and finally settled the week at 65.01 against the dollar on Mar-23-2018. 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 going forward.

Brazil real may weaken further on trade war and on monetary easing

Brazil's real weakened last week after its central bank unexpectedly cut interest rates by 25 bps and hinted that it will cut the rates further going forward. The real also weakened on concerns that lower rates could dampen demand for Brazilian assets and on growing fears of U.S. protectionist measures on trade tariffs.

Brazil real last week was traded in the region of 3.2575 and 3.3188 and finally settled the week at 3.3110 as on Mar-23-2018. Resistance is seen at around 3.36 levels and above may signal further weakness. Near term support is seen in the region of 3.20 and 3.15.

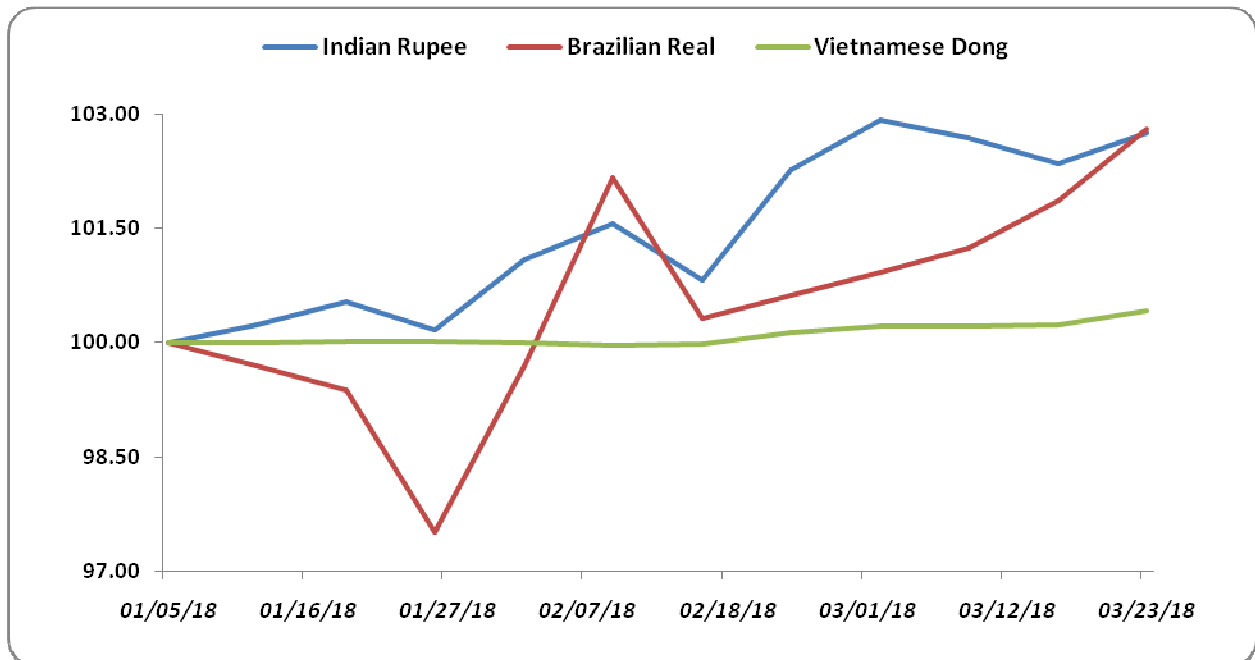


Vietnamese dong hits 22800 over trade war fears

Vietnam dong last week traded in the region of 22,763.5 and 22,803 and finally settled the week at 22,803 against the dollar on Mar-23-2018. Upside for the time being is capped in the region of 22800 and 22850 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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