

Currency Impact

Table-6: Currency Movement - FOREX rates

Currency	05-01-2020	05-08-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	75.11	75.44	0.44
Euro (EUR)	1.10	1.08	-1.29
Japanese Yen (JPY)	106.91	106.68	-0.22
Brazilian Real (BRL)	5.49	5.73	4.50
Chinese Yuan (CNY)	7.06	7.07	0.20
Singapore Dollar (SGD)	1.42	1.41	-0.20
Tanzanian Shilling (TZS)	2314.00	2314.00	0.00
Thai Baht (THB)	32.55	32.20	-1.08
Mozambique New Metical (MZN)	67.66	67.91	0.37
Vietnam Dong (VND)	23429.00	23378.50	-0.22
Indonesian Rupiah (IDR)	14875.00	14920.00	0.30
Benin CFA Franc BCEAO (XOF)	602.98	605.20	0.37
Ghanaian New Cedi (GHS)	5.80	5.77	-0.52

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.00	74.50	76.50	77.00
USDBRL	5.60	5.35	5.85	6.10
USDVND	23250	23350	23550	23650

Rupee may trade sideways, but overall depreciating trend remain intact

Indian rupee last week traded in the region of 76.14 and 75.26 and finally settled the week at 75.53. The US dollar index once again gained momentum on the back of mounting tensions between US and China due to the origin corona virus and worries about the state of the global economy going forward.

Global rating agency Moody's has slashed India's GDP growth rate in FY 20-21 to zero. Nevertheless, the good news is that it has forecasted the GDP growth to 6.6 percent in FY 21-22.

Indian rupee may trade in the broader region of 74.5 and 77 going forward and the current volatility is likely to continue for the time being.

Brazil real has declined by about 30 percent against the dollar so far in 2020

Brazil real last week traded in the region of 5.4818 and 5.9922 against the dollar and settled the week at 5.7329. Brazil real touched a new record low against the dollar during last week as its central bank has cut the interest rates by 75 bps to three (3) percent, a new record low.

Real may continue to remain weak as rapid spread of covid-19 may further affect the already deepening economic crisis. One cannot rule out real breaching the levels of 6 against the dollar going forward and expect the current heightened volatility to continue for the time being.

Vietnam dong may trade sideways

Vietnam dong last week traded in the region of 23475 and 23373.50 and settled the week at 23378.50 as on May-08. Dong may trade in the broader region of 23250 and 23650 going forward.