

Currency Impact

Table-5: Currency Movement - FOREX Rates

Currency	10-02-2020	10-09-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	73.38	73.21	-0.23
Euro (EUR)	1.17	1.18	0.85
Japanese Yen (JPY)	105.33	105.59	0.25
Brazilian Real (BRL)	5.68	5.53	-2.64
Chinese Yuan (CNY)	6.79	6.69	-1.47
Singapore Dollar (SGD)	1.36	1.35	-0.74
Tanzanian Shilling (TZS)	2320.00	2320.00	0.00
Thai Baht (THB)	31.56	30.97	-1.87
Mozambique New Metical (MZN)	71.50	71.75	0.35
Vietnam Dong (VND)	23191.00	23180.00	-0.05
Indonesian Rupiah (IDR)	14830.00	14675.00	-1.05
West African Franc (XOF)	558.50	557.20	-0.23
Ghanaian New Cedi (GHS)	5.80	5.80	0.00

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	72.72	72.40	73.65	74.10
USDBRL	5.21	5.09	5.50	5.60
USDVND	23160	23140	23200	23250

Rupee may stay range bound

- Indian rupee last week traded in the region of 73.58 and 73.02 and finally settled the week at 73.06 against the dollar.
- Technically rupee may trade in the region of 72.40 and 74 and violation of the same on either side will confirm further direction of the trend going forward.
- The RBI as expected in its MPC meeting last week has left interest rates unchanged and forecasted that the economy in FY 20-21 will contract by 9.5 percent. It has also hinted that economy will be in positive territory only in Q4 of FY 20-21.
- Now the market will turn its focus on Nov month US presidential elections as well as Indian state of Bihar assembly elections.

Brazil's real bounced back on record retail sales as well as pick up in services sector

- Brazil real last week traded in the region of 5.6158 and 5.6454 and finally settled the week at 5.5316 against the dollar index.
- Technically real has formed double top formation around 5.68, signalling near term appreciation of real.
- Expect real to retest 5.45-5.40 levels in the near term.

- Brazil real rebounded on record retail sales in August although fiscal worries remains.
- This comes after a report earlier in the week which showed a pick-up in the Brazil's services sector during September.

Vietnam Q3 GDP data came in at 2.6 percent

- Vietnam dong last week traded in the region of 23173 and 23209.5 and settled the week at 23180 as on Oct-12. Dong may trade in the broader region of 23150 and 23250 going forward.
- Vietnam central bank has cut the policy rates by 50 bps during October first week. Inflation continues to remain subdued around 3.9 percent in September may give more room for the policy makers to decide on future rate cuts.
- Official data for Q3 2020 shows GDP growing 2.6 percent year-on-year (y-o-y), which is even stronger than what market participants have anticipated earlier this year.

Comparative Movement of Currencies Jan-03-2020 to 09-Oct-2020 Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)

