

Currency Impact

Table-6: Currency Movement - FOREX Rates

Currency	08-07-2020	08-14-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	74.96	74.77	-0.25
Euro (EUR)	1.18	1.18	0.00
Japanese Yen (JPY)	105.93	106.59	0.62
Brazilian Real (BRL)	5.44	5.42	-0.37
Chinese Yuan (CNY)	6.97	6.95	-0.29
Singapore Dollar (SGD)	1.37	1.37	0.00
Tanzanian Shilling (TZS)	2325.00	2325.00	0.00
Thai Baht (THB)	31.24	31.13	-0.35
Mozambique New Metical (MZN)	70.68	70.50	-0.25
Vietnam Dong (VND)	23176.50	23174.00	-0.01
Indonesian Rupiah (IDR)	14625.00	14795.00	1.16
West African Franc (XOF)	553.00	556.00	0.54
Ghanaian New Cedi (GHS)	5.77	5.75	-0.35

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	74.45	73.90	75.30	75.55
USDBRL	5.30	5.15	5.60	5.70
USDVND	23150	23100	23250	23300

Indian rupee may retest 75.30 and above in the near term

- Indian rupee last week traded in the region of 74.58 and 74.97 and finally settled the week at 74.91 against the dollar.
- Technically rupee is taking support around 74.45-74.55 levels since first week of July. So one can't rule out rupee to retest the higher resistances in the region of 75.30 and 75.50 going forward.
- Only above 75.50 on weekly closing will alter the current appreciating trend.
- India's consumer price inflation rose to 6.93 percent in July. Retail inflation continues to remain higher due to lockdown or restriction by various state governments. Hence the chances of RBI cutting interest rates ruled out going forward.

Brazil's real is likely to weaken further in the near term

- Brazil real last week traded in the region of 5.4925 and 5.3490 and finally settled the week at 5.4204 against the dollar index.
- Brazil real may face stiff resistance around 5.50 to 5.60 levels and only a weekly close on the above to signal further weakness. At the same time, support is in the region of 5.30 and 5.15.
- Brazil has posted a trade surplus in July due to steep decline in imports, triggered by corona virus.
- Although real may weaken in the near term, but it is likely to consolidate in the coming months once corona virus started to show signs of declining trend.

Vietnamese dong may continued to remain firm

- Vietnam dong last week traded in the region of 23200 and 23172.50 and settled the week at 23174 as on Aug-14. Dong may trade in the broader region of 23150 and 23250 going forward.

Comparative Movement of Currencies Jan-03-2020 to 14-Aug-2020

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

