

Currency Impact

Table-6: Currency Movement - FOREX rates

Currency	04-10-2020	04-17-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	76.46	76.54	0.10
Euro (EUR)	1.09	1.09	-0.54
Japanese Yen (JPY)	108.46	107.51	-0.88
Brazilian Real (BRL)	5.11	5.23	2.50
Chinese Yuan (CNY)	7.03	7.07	0.57
Singapore Dollar (SGD)	1.41	1.42	0.48
Tanzanian Shilling (TZS)	2319.00	2314.00	-0.22
Thai Baht (THB)	32.68	32.51	-0.52
Mozambique New Metical (MZN)	67.70	67.95	0.37
Vietnam Dong (VND)	23435.00	23424.00	-0.05
Indonesian Rupiah (IDR)	15800.00	15400.00	-2.53
Benin CFA Franc BCEAO (XOF)	599.00	605.70	1.12
Ghanaian New Cedi (GHS)	5.83	5.70	-2.25

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.50	75	76.85	77.25
USDBRL	5.00	4.85	5.25	5.35
USDVND	23400	23300	23650	23750

Rupee may continue to trade sideways

Indian rupee after having hit a new record low of 76.87 during the week, finally settled at around 76.39, buoyed by RBI's measures to prop up the economy coupled with strong rally in domestic equities lifted the sentiment. On the higher side rupee may face resistance in the region of 77 and 77.50 levels going forward. On the lower side 75.50-75 to act as near term support.

The Reserve Bank of India, last Friday has cut its reserve repo rate by 25 basis points in an attempt to encourage banks to lend more. The RBI has also announced additional measures to boost liquidity in the financial systems.

China's GDP in Q1 of 2020 contracted by -6.8 percent, worse than the analysts forecast of -6.5 percent.

Brazil real may remain under pressure

Brazil real last week traded in the region of 5.1219 and 5.2761 against the dollar and settled the week at 5.2373. Real may retest all time low of 5.35 against the dollar and in case breach of test may move further towards 5.40-5.45 levels. AS long as the level of five is not breached real may continue to remain under pressure going forward.

Last month the ministry of economic affairs has cut its forecast of 2020 GDP from 2.1 per cent to zero. However, IMF expects a contraction of 5.3 percent.

Vietnam dong may trade sideways

Vietnam dong last week traded in the region of 23420 and 23478.50 and settled the week at 23425 against the dollar index. Dong has recovered from its recent lows and it is likely to trade sideways going forward.