

## Currency Impact

**Table-6: Currency Movement - FOREX Rates**

Currency	06-12-2020	06-19-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	75.97	76.21	0.32
Euro (EUR)	1.13	1.12	-1.11
Japanese Yen (JPY)	107.34	106.87	-0.44
Brazilian Real (BRL)	5.05	5.31	5.15
Chinese Yuan (CNY)	7.08	7.08	0.01
Singapore Dollar (SGD)	1.39	1.40	0.50
Tanzanian Shilling (TZS)	2315	2316.00	0.04
Thai Baht (THB)	30.98	31.01	0.10
Mozambique New Metical (MZN)	69	69.20	0.29
Vietnam Dong (VND)	23206	23215.00	0.04
Indonesian Rupiah (IDR)	14050	14050.00	0.00
Benin CFA Franc BCEAO (XOF)	576.45	581.52	0.88
Ghanaian New Cedi (GHS)	5.79	5.80	0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.50	75.00	76.70	77.05
USDBRL	5.15	5.00	5.45	5.60
USDVND	23150	23100	23250	23300

### Indian rupee may remain under pressure

- Indian rupee last week traded in the region of 75.77 and 76.40 and finally settled the week at 76.19 against the dollar.
- Indian rupee continued to remain weak despite record inflows owing to geopolitical tensions with China, surge in corona cases and on firmness in crude oil prices.
- Technically Indian rupee may continue to remain under pressure and unlikely to trade below 75 anytime soon. Expect rupee to stay in the broader region of 75 and 77.00 against the dollar going forward.

### Brazil's Central Bank cut its celic rates to record low

- Brazil real last week traded in the region of 5.0477 and 5.3884 and finally settled the week at 5.3122 against the dollar index.

- Brazil real may face stiff resistance around 5.36 to 5.43 levels and only a weekly close on the above to signal further weakness. At the same time, support is in the region of 5.15 and 5.05.
- Brazil's central bank last week has cut its celic rates to record low of 2.25 percent amid sharp rise in Covid cases as well as steep drop in country's economic activities.
- Several global investment banks predict Brazil's gross domestic product will shrink this year more than 7 percent. Last week, the World Bank revised its Brazil GDP forecast to an 8 percent drop.

### Vietnamese dong may remain firm

- Vietnam dong last week traded in the region of 23243 and 23193.5 and settled the week at 23220 as on Jun-19. Dong may trade in the broader region of 23150 and 23300 going forward.
- The Vietnam Institute for Economic and Policy Research (VEPR) has estimated national GDP growth for 2020 at 5.3 percent in the best-case scenario.
- The institute also provided two other scenarios. Vietnam's economic growth for the year could be 3.9 percent in the neutral scenario and 1.7 percent in the worst scenario.

### Comparative Movement of Currencies Jan-03-2020 to 19-Jun-2020

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

