

## Currency Impact

**Table-6: Currency Movement - FOREX rates in USD**

Currency	03-13-2020	03-20-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	74.07	75.01	1.27
Euro (EUR)	1.11	1.07	-3.65
Japanese Yen (JPY)	107.91	110.82	2.70
Brazilian Real (BRL)	4.86	5.06	4.20
Chinese Yuan (CNY)	7.00	7.10	1.37
Singapore Dollar (SGD)	1.41	1.45	2.81
Tanzanian Shilling (TZS)	2298.00	2305.00	0.30
Thai Baht (THB)	31.81	32.72	2.86
Mozambique New Metical (MZN)	65.66	66.33	1.02
Vietnam Dong (VND)	23208.00	23460.00	1.09
Indonesian Rupiah (IDR)	14740.00	15925.00	8.04
Benin CFA Franc BCEAO (XOF)	575.00	608.72	5.86
Ghanaian New Cedi (GHS)	5.52	5.65	2.26

Symbol (1)	Close as on 13-Mar (2)	Close as on 20-Mar (3)	Change (3 vs 2) (4) %	Support S1	S2	Resistance (R1)	R2
<b>USDINR</b>	73.91	75.40	2.01	74.50	73.90	75.80	76.50
<b>USDBRL</b>	4.8580	5.06	4.20	4.85	4.60	5.15	5.25
<b>USDVND</b>	23208	23460	1.09	23350	23250	23550	23650

### Indian rupee is likely to fall further towards 76 and above

Indian rupee last week touched the new low of 75.40 against the dollar index as global sell-off in financial markets continue unabated due to the rapid spread of corona virus.

The rush for dollar has resulted jump in dollar index from around 98 to 103.80 during the later part of last week. Rupee volatility is likely to continue until corona is contained; however, on the positive side the fall in crude is likely to have a stronger balance of payment. India's Finance minister Ms Nirmala Sitharaman is likely to announce measures to boost the economy during this week.

The RBI has ensured that adequate Rupee liquidity is available in the banking system by way of Long Term Repo Operations (LTROs). The central bank is likely to meet from March 31 to April 3, in which the impact of corona virus on the Indian economy is likely to be analyzed with and appropriate measures to tackle the same are expected.

### **Brazil real further slumps, GDP growth to decline substantially in Q2 of 2020**

Brazil real hit a record new low of 5.2550 against the US dollar during last week, traded in the region of 4.8593 and 5.2550. Since the beginning of this year, the real has weakened by more than 25 percent against USD.

The USD has rallied sharply during last week to three year high as a safe haven buying due to meltdown in global financial markets as corona spreads to more than 175+ countries.

Brazilian economy is likely to drop significantly in Q2 of this year said its economic secretary.

### **Vietnam dong has weakened sharply during last week**

Last week Vietnam dong was hovered in between VND 23,211 and 23,472. Dong may trade lower with support is seen at around 23200-23150, while resistance is seen at 23600-23650 levels.

Last week the state bank of Vietnam has cuts its refinance rates from six to five percent and has lowered its discount rate from four (4) to 3.5 percent.