

Currency Impact

Table-6: Currency Movement - FOREX Rates

Currency	05-15-2020	05-22-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	75.56	75.79	0.30
Euro (EUR)	1.08	1.09	0.77
Japanese Yen (JPY)	107.04	5.53	-94.83
Brazilian Real (BRL)	5.86	5.86	0.00
Chinese Yuan (CNY)	7.10	7.13	0.40
Singapore Dollar (SGD)	1.43	1.43	-0.16
Tanzanian Shilling (TZS)	2314.00	2314.00	0.00
Thai Baht (THB)	32.09	31.88	-0.65
Mozambique New Metical (MZN)	68.07	68.44	0.54
Vietnam Dong (VND)	23357.50	23269.50	-0.38
Indonesian Rupiah (IDR)	14860.00	14710.00	-1.01
Benin CFA Franc BCEAO (XOF)	606.41	600.98	-0.90
Ghanaian New Cedi (GHS)	5.76	5.78	0.35

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.50	75.00	76.50	77.00
USDBRL	5.35	5.20	5.75	5.85
USDVND	23200	23150	23350	23450

Rupee may continue to depreciate on economic woes

Indian rupee last week traded in the region of 76.06 and 75.40 and finally settled the week at 75.95. The RBI early on Friday has cut the repo rate by 40 bps and extended moratorium on EMIs for three more months has failed to cheer investor investment. The RBI is of the opinion that India's GDP growth rate in FY 21 may remain in the negative territory with some pick up in second half of the year.

The Corona virus in on the rise in India in the last one week or so especially in the key cities like Mumbai, Chennai, Delhi, Ahmedabad, Pune are all still in the red zone also hampers the market sentiment. Moreover, the trade tensions between US and China once again back to the centre stage as White House economic aide Kevin Hassett told news agency that the US is closely studying economic penalties for China related to the nation's plan to enact sweeping national security legislation in Hong Kong.

Indian rupee may trade in the broader region of 75.50 and 77 going forward and the current volatility is likely to continue for the time being.

Brazil real overall depreciating trend remain intact

Brazil real last week traded in the region of 5.8565 and 5.5229 against the dollar and settled the week at 5.5340. As we rightly mentioned, real continue to face resistance in the region of 5.85 and 6 in the last few weeks and settled lower at close to the support levels of 5.50 against the dollar. Brazil real may trade in the broader region of 5.20 and 5.85 against the dollar going forward.

Brazil's real gained considerably after its central bank President Roberto Campos Neto said the bank would dip into its large pool of foreign exchange reserves and continue intervening in the currency market if needed. Real has lost close to 30% of its value against the dollar so far this year, by far the worst global performing currency against the dollar index.

Brazil corona woes continue and are currency at second spot among the most infected nations next to the USA.

Vietnamese dong may remain firm

Vietnam dong last week traded in the region of 2337 and 23252.5 and settled the week at 23269.50 as on May-22. Dong may trade in the broader region of 23150 and 23450 going forward.