

Currency Impact

Table-6: Currency Movement - FOREX rates

| Currency | 04-17-2020 | 04-24-2020 | Wk-on-Wk % Change |
|---------------------------------|------------|------------|----------------------|
| Indian Rupee (INR) RBI ref rate | 76.54 | 76.42 | -0.16 |
| Euro (EUR) | 1.09 | 1.08 | -0.51 |
| Japanese Yen (JPY) | 107.51 | 107.54 | 0.03 |
| Brazilian Real (BRL) | 5.23 | 5.59 | 6.82 |
| Chinese Yuan (CNY) | 7.07 | 7.08 | 0.17 |
| Singapore Dollar (SGD) | 1.42 | 1.42 | 0.00 |
| Tanzanian Shilling (TZS) | 2314.00 | 2311.00 | -0.13 |
| Thai Baht (THB) | 32.51 | 32.46 | -0.15 |
| Mozambique New Metical (MZN) | 67.95 | 68.15 | 0.29 |
| Vietnam Dong (VND) | 23424.00 | 23510.00 | 0.37 |
| Indonesian Rupiah (IDR) | 15400.00 | 15400.00 | 0.00 |
| Benin CFA Franc BCEAO (XOF) | 605.70 | 608.52 | 0.47 |
| Ghanaian New Cedi (GHS) | 5.70 | 5.77 | 1.21 |

| Symbol | Support S1 | S2 | Resistance (R1) | R2 |
|---------------|------------|-------|--------------------|-------|
| USDINR | 75.50 | 75 | 77.00 | 77.50 |
| USDBRL | 5.35 | 5.10 | 5.75 | 5.95 |
| USDVND | 23400 | 23300 | 23650 | 23750 |

Rupee may continue to remain weak

Indian rupee after having hit a new record low of 77.01 during the week, finally settled at 76.48. Rupee continued to remain under pressure due to strength in US dollar and on renewed weakness in Indian markets. The sentiment turned further bearish on news that Franklin Templeton has shut six of its debt funds.

Lower oil price may aid the Indian rupee; however, it all depends on when India will be free from covid-19 and the restoration of normalcy.

Indian rupee may trade in the broader region of 75.5 and 77.50 going forward and the current volatility to stay for the time being.

Brazil real has made a new record low of 5.75 due to political crisis

Brazil real last week traded in the region of 5.2642 and 5.7484 against the dollar and settled the week at 5.5915. Brazil real has declined to new lows due to political crisis

arising out of the resignation of Justice Minister Moro, who has accused President Jair Bolsonaro of interfering in law enforcement affairs.

Brazil real may be bracing for tough times due to covid-19 coupled by political crisis and one cannot rule further new lows in Brazil real against the resurgent dollar index going forward.

Vietnam dong may trade sideways

Vietnam dong last week traded in the region of 23422.50 and 23524 and settled the week at 23510. Dong may retest the recent lows of 23650 and above going forward. At the same time, strong support is seen in the region of 23400 and 23350 levels.