

Currency Impact

Table-6: Currency Movement - FOREX Rates

Currency	06-19-2020	06-26-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	76.21	75.48	-0.96
Euro (EUR)	1.12	1.12	0.15
Japanese Yen (JPY)	106.87	107.21	0.32
Brazilian Real (BRL)	5.31	5.49	3.39
Chinese Yuan (CNY)	7.08	7.08	0.00
Singapore Dollar (SGD)	1.40	1.39	-0.71
Tanzanian Shilling (TZS)	2316.00	2314.00	-0.09
Thai Baht (THB)	31.01	30.90	-0.35
Mozambique New Metical (MZN)	69.20	69.50	0.43
Vietnam Dong (VND)	23215.00	23210.00	-0.02
Indonesian Rupiah (IDR)	14050.00	14150.00	0.71
Benin CFA Franc BCEAO (XOF)	581.52	581.20	-0.06
Ghanaian New Cedi (GHS)	5.80	5.79	-0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.00	74.50	76.20	76.70
USDBRL	5.05	5.25	5.60	5.75
USDVND	23150	23100	23250	23300

Indian rupee may stay range bound

- Indian rupee last week traded in the region of 76.29 and 76.43 and finally settled the week at 75.64 against the dollar.
- Technically Indian rupee may continue to remain under pressure and unlikely to trade below 74.50 anytime soon. Expect rupee to stay in the broader region of 74.50 and 76.70 against the dollar going forward.
- Indian rupee may not weaken considerably going forward due to rising FII inflows in to the country and on lower crude oil prices. This may help to lower the current account deficit drastically.
- Nevertheless, all depends on how and when the Covid is contained successfully without going in for a lockdown once again.

Brazil's real weakness to stay for a while

- Brazil real last week traded in the region of 5.1336 and 5.4931 and finally settled the week at 5.4858 against the dollar index.

- Brazil real may face stiff resistance around 5.60 to 5.75 levels and only a weekly close on the above to signal further weakness towards 5.85. At the same time, support is in the region of 5.25 and 5.05.
- Brazil real continues to trade lower as its government is struggling to contain the spread of covid-19.
- The central bank chief said Brazil's GDP outlook is brighter than the newly reduced forecast of a 6.4% contraction this year, adding that the bank has not abandoned its inflation goals.
- The estimate compares to the International Monetary Fund's 9.1% contraction for the country expected this year.

Vietnamese dong may remain firm

- Vietnam dong last week traded in the region of 23223 and 23200 and settled the week at 23211 as on Jun-26. Dong may trade in the broader region of 23150 and 23300 going forward.
- Vietnam's GDP grew at 0.36 percent in Q2 of 2020 as against the growth of 3.68 percent seen in Q1 (revised).

Comparative Movement of Currencies Jan-03-2020 to 19-Jun-2020 Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)

