

## Currency Impact

**Table-5: Currency Movement - FOREX Rates**

Currency	11-20-2020	11-27-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	74.16	73.80	-0.49
Euro (EUR)	1.18	1.20	1.69
Japanese Yen (JPY)	103.87	104.09	0.21
Brazilian Real (BRL)	5.38	5.34	-0.74
Chinese Yuan (CNY)	6.56	6.58	0.30
Singapore Dollar (SGD)	1.34	1.34	0.00
Tanzanian Shilling (TZS)	2319.00	2319.00	0.00
Thai Baht (THB)	30.30	30.33	0.10
Mozambique New Metical (MZN)	72.90	73.45	0.75
Vietnam Dong (VND)	23177.00	23161.50	-0.07
Indonesian Rupiah (IDR)	14165.00	14090.00	-0.53
West African Franc (XOF)	553.50	549.75	-0.68
Ghanaian New Cedi (GHS)	5.83	5.84	0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	73.60	73.30	74.50	74.75
USDBRL	5.20	5.10	5.50	5.70
USDVND	23140	23120	23185	23210

### Indian economy in Q2 recovers sharply, even though it contracts by 7.5 percent

- Indian rupee last week traded in the region of 74.22 and 73.71 and finally settled the week at 73.98 against the dollar.
- Technically rupee may well move higher towards 74.50-74.75 levels in the near term. At the same time 73.30 will act as strong support.
- Rupee gained handsomely from the recent high of 74.75, tracking gains in domestic indices and on strong FII inflows.
- India's Q2 GDP in FY20-21 has contracted by 7.5 percent as against a contraction of 23.9 percent in Q1 of FY20-21.
- The economy is recovering faster than expected due to strong growth in farm sector and on minor gains in manufacturing sector, signalling economy to move out of contraction by Q4 of FY 20-21.

### Brazil real may gain further as economy is showing signs of strong revival

- Brazil real last week traded in the region of 5.4440 and 5.2950 and finally settled the week at 5.3385 against the dollar index.

- Brazil real has been highly volatile in the last two weeks and yet to signal clear trend. Only a close below 5.20 on a weekly basis to signal further appreciation of real going forward.
- Brazil real gained on comments from its central bank president that the currency weakness is of the past and is looking good to stabilise going forward.
- Moreover, Brazil has recorded smallest monthly primary deficit since the advent of the Covid pandemic. Also formal job creation has also surged to record high in October also suggests that the worst is over for Brazilian real.

### Vietnam dong is likely to appreciate further

- Vietnam dong last week traded in the region of 23186 and 23151 and settled the week at 23160 as on Nov-27. Dong may trade in the broader region of 23120 and 23210 going forward.

### Comparative Movement of Currencies Jan-03-2020 to 27-Nov-2020 Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)

