

Currency Impact

Table-5: Currency Movement - FOREX Rates

Currency	09-25-2020	10-02-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	73.73	73.38	-0.47
Euro (EUR)	1.16	1.17	0.86
Japanese Yen (JPY)	105.62	105.33	-0.27
Brazilian Real (BRL)	5.56	5.68	2.16
Chinese Yuan (CNY)	6.82	6.79	-0.44
Singapore Dollar (SGD)	1.38	1.36	-1.45
Tanzanian Shilling (TZS)	2320.00	2320.00	0.00
Thai Baht (THB)	31.63	31.56	-0.22
Mozambique New Metical (MZN)	71.68	71.50	-0.25
Vietnam Dong (VND)	23193.00	23191.00	-0.01
Indonesian Rupiah (IDR)	14870.00	14830.00	-0.27
West African Franc (XOF)	562.39	558.50	-0.69
Ghanaian New Cedi (GHS)	5.79	5.80	0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	72.72	72.40	73.65	74.10
USDBRL	5.21	5.09	5.50	5.60
USDVND	23160	23140	23200	23250

Rupee may appreciate in the near term as economy is showing signs of turnaround

- Indian rupee last week traded in the region of 73.91 and 73.01 and finally settled the week at 73.34 against the dollar.
- Technically rupee may trade in the region of 72.70 and 74.10 and violation of the same on either side will confirm further direction of the trend going forward.
- Last week rupee settled higher on surge in domestic equities, persistent dollar inflows and on weakness in USD.
- The RBI has postponed the MPC meeting to a later date and new dates are yet to be announced.
- The gains in PMI, the highest in last eight years, improvement in September auto sales and rebound in exports are signalling that the economy is bouncing back with easing of restrictions in phased manner after lockdown over Covid in March this year.

Brazil's real weakened on fiscal concerns

- Brazil real last week traded in the region of 5.5742 and 5.6857 and finally settled the week at 5.6632 against the dollar index.
- Brazil real has weakened once again well above 5.60 against the dollar on fiscal worries.
- Amid data showing public debt widened to a record, investors have been concerned about the financing of a new fiscal aid package by President Jair Bolsonaro.
- The talks about new US stimulus package has caused spurt in risk appetite and thus weakened the dollar.

Steady to firm trend prevails in Vietnamese dong

- Vietnam dong last week traded in the region of 23172.5 and 23195.5 and settled the week at 23191 as on Oct-02. Dong may trade in the broader region of 23150 and 23250 going forward.

Comparative Movement of Currencies Jan-03-2020 to 02-Oct-2020 Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)

