

Currency Impact

Table-6: Currency Movement - FOREX Rates

Currency	06-26-2020	07-03-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	75.48	74.78	-0.93
Euro (EUR)	1.12	1.12	0.00
Japanese Yen (JPY)	107.21	107.50	0.27
Brazilian Real (BRL)	5.49	5.32	-3.10
Chinese Yuan (CNY)	7.08	7.07	-0.14
Singapore Dollar (SGD)	1.39	1.39	0.00
Tanzanian Shilling (TZS)	2314.00	2319.00	0.22
Thai Baht (THB)	30.90	31.10	0.65
Mozambique New Metical (MZN)	69.50	69.60	0.14
Vietnam Dong (VND)	23210.00	23199.00	-0.05
Indonesian Rupiah (IDR)	14150.00	14450.00	2.12
West African Franc (XOF)	581.20	580.50	-0.12
Ghanaian New Cedi (GHS)	5.79	5.82	0.52

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	74.00	73.50	75.20	75.70
USDBRL	5.20	5.05	5.50	5.60
USDVND	23150	23100	23250	23300

Indian rupee is likely to appreciate

- Indian rupee last week traded in the region of 75.65 and 74.56 and finally settled the week at 74.64 against the dollar.
- Rupee for first time since March end has appreciated considerably may signal room for further appreciation going forward. Technically rupee may test the support zone of 73.50-73 levels in the coming weeks.
- Rupee gained on weakness in dollar index, strong FII inflows in to the market and coupled with less central bank intervention in the forex market.
- Non-farm pay rolls data released showed that the US economy has added a record 4.8 million jobs in June as compared to the revised number of 2.6 million jobs added in May. The unemployment rate fell to 11.1 percent in June as compared to 13.3 percent in May.

Brazil's real may trade range bound

- Brazil real last week traded in the region of 5.5074 and 5.2650 and finally settled the week at 5.3143 against the dollar index.

- Brazil real may face stiff resistance around 5.50 to 5.60 levels and only a weekly close on the above to signal further weakness. At the same time, support is in the region of 5.20 and 5.05.
- Economic activities in Brazil continue to shrink for the fourth month in a June, but recovered smartly when compared to previous months. IHS Markit's Brazil services purchasing managers index (PMI) rose to 35.9 in June from 27.6 in May, and the composite PMI encompassing manufacturing rose to 40.5 from 28.1.

Vietnamese dong may have continued to remain firm

- Vietnam dong last week traded in the region of 23216 and 23195 and settled the week at 23199 as on Jul-03. Dong may trade in the broader region of 23150 and 23300 going forward.
- According to Fitch ratings Vietnam's economy is projected to grow at 2.8 percent in 2020.

Comparative Movement of Currencies Jan-03-2020 to 03-Jul-2020

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

