

Currency Impact

Table-5: Currency Movement - FOREX Rates

Currency	07-31-2020	08-07-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	74.77	74.96	0.25
Euro (EUR)	1.18	1.18	0.00
Japanese Yen (JPY)	105.88	105.93	0.05
Brazilian Real (BRL)	5.22	5.44	4.21
Chinese Yuan (CNY)	6.97	6.97	0.00
Singapore Dollar (SGD)	1.37	1.37	0.00
Tanzanian Shilling (TZS)	2325	2325.00	0.00
Thai Baht (THB)	31.25	31.24	-0.03
Mozambique New Metical (MZN)	70.10	70.68	0.83
Vietnam Dong (VND)	23170.00	23176.50	0.03
Indonesian Rupiah (IDR)	14530.00	14625.00	0.65
West African Franc (XOF)	557.75	553.00	-0.85
Ghanaian New Cedi (GHS)	5.71	5.77	1.05

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	74.45	73.90	75.30	75.55
USDBRL	5.21	5.05	5.60	5.70
USDVND	23150	23100	23250	23300

Indian rupee overall appreciating trend remains intact

- Indian rupee last week traded in the region of 75.31 and 74.77 and finally settled the week at 74.97 against the dollar.
- Since April high's rupee continues to face stiff resistance at higher levels and is gradually declining (from April highs of 76.96 to recent low (first week of July) of 74.48).
- Technically rupee may appreciate gradually towards 74.45 and then to 73.90 against the USD going forward.
- The RBI as expected maintained status quo on interest rates and said that the overall economic growth may continue to remain in the negative territory during FY 20-21.
- The US non-farm pay rolls came better than expected in July and unemployment fell to 10.2 percent as against 11.1 percent in June and against expected 10.6 percent.

Brazil's real is likely to weaken further

- Brazil real last week traded in the region of 5.1547 and 5.4384 and finally settled the week at 5.4384 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 5.21 and 5.05.
- Brazil real reversed its recent gains on geo-political tensions between US and China, with US banning Chinese popular apps.
- Real has also declined on rate cut by its central bank to the tune of 25 bps to two percent, a record low. Policymakers said recent economic indicators in Brazil point to a "partial recovery" but noted that uncertainty remains high, warned that there was little or no room for further monetary stimulus. Brazil unemployment rose to high of 13.3 percent.

Vietnamese dong may continue to remain firm

- Vietnam dong last week traded in the region of 23169 and 23183 and settled the week at 23170 as on Aug-07. Dong may trade in the broader region of 23150 and 23250 going forward.

The State Bank of Vietnam (SBV) on August 6 announced its decision on cutting some policy rates with immediate effect, the second time this year. The SBV said the adjustment was made based on macro-economic developments and the level of interest rates in the market.

Comparative Movement of Currencies Jan-03-2020 to 07-Aug-2020 Vis-à-vis USD in cashew processing regions (Weeks starting from 03rd Jan' 2020 and value indexed to 100)



