

Currency Impact

Table-6: Currency Movement - FOREX rates

Currency	04-03-2020	04-10-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	75.83	76.46	0.83
Euro (EUR)	1.08	1.09	1.20
Japanese Yen (JPY)	108.47	108.46	-0.01
Brazilian Real (BRL)	5.35	5.11	-4.55
Chinese Yuan (CNY)	7.09	7.03	-0.89
Singapore Dollar (SGD)	1.44	1.41	-1.79
Tanzanian Shilling (TZS)	2313.00	2319.00	0.26
Thai Baht (THB)	33.02	32.68	-1.03
Mozambique New Metical (MZN)	67.63	67.70	0.10
Vietnam Dong (VND)	23565.00	23435.00	-0.55
Indonesian Rupiah (IDR)	16425.00	15800.00	-3.81
Benin CFA Franc BCEAO (XOF)	606.98	599.00	-1.31
Ghanaian New Cedi (GHS)	5.75	5.83	1.39

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	75.50	75	76.55	77
USDBRL	5.00	4.85	5.25	5.35
USDVND	23400	23300	23650	23750

Rupee may trade sideways

Indian rupee last week once again has settled well above 76 against the dollar, after facing resistance around 76.55 levels. If rupee manages to breach 76.55 on two-day closing basis then it could weaken further towards 77 and above going forward. Otherwise, rupee is likely to retest 75-74.50 and overall rupee is likely to continue its current volatility.

Investor sentiment continued to remain fragile amid concern over the outbreak of corona virus and its impact on state of both the domestic and global economy. Rupee has recovered from record lows as the rate of outflow declines in the stock markets.

Brazil real recovers smartly from all time lows

Brazil real last week traded in the region of 5.3114 and 5.0487 against the dollar and settled the week at 5.1068.

Brazil economy is likely to be in recession in 2020 due to the impact of COVID-19. However, the economy is likely to rebound sharply in 2021. Analysts forecast that its central bank has the room to cut interest rates by about 100 points before the end of this year.

Vietnam dong may trade sideways

Vietnam dong last week traded in the region of 23555 and 23420 and settled the week at 23437.5 against the dollar index. Dong has recovered from recent lows and trade sideways going forward.

World Bank in its report has said that the pandemic can affect Vietnam's economy in the short term – if the virus is contained – in the long-term Vietnam can manage external risks by diversifying trade flows and improving competitiveness.