

## Currency Impact

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

Currency	12-11-2020	12-18-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	73.59	73.51	-0.11
Euro (EUR)	1.21	1.23	1.65
Japanese Yen (JPY)	104.04	103.31	-0.70
Brazilian Real (BRL)	5.07	5.10	0.59
Chinese Yuan (CNY)	6.55	6.54	-0.15
Singapore Dollar (SGD)	1.34	1.33	-0.75
Tanzanian Shilling (TZS)	2319.00	2319.00	0.00
Thai Baht (THB)	30.12	29.85	-0.90
Mozambique New Metical (MZN)	73.74	74.54	1.08
Vietnam Dong (VND)	23129.00	23125.00	-0.02
Indonesian Rupiah (IDR)	14080.00	14110.00	0.21
West African Franc (XOF)	539.50	543.86	0.81
Ghanaian New Cedi (GHS)	5.85	5.86	0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	73.30	73.00	73.90	74.25
USDBRL	4.95	4.80	5.15	5.35
USDVND	23100	23080	23160	23185

### Rupee is likely to stay in the recent range

- Indian rupee last week traded in the region of 73.67 and 73.36 and finally settled the week at 73.51 against the dollar.
- Technically rupee may well move higher towards 74.45-74.60 levels in the near term. At the same time 73.30 will act as strong support.
- Rupee gained on sustained foreign inflows in to the markets and also aided by weakness in US dollar index.
- Last week the US has put under watch India in the currency manipulator watch list for the third time in a row. This is may restrict RBI purchase of dollars, which could in further rupee depreciation.
- However, further direction of rupee will depend on how the crude oil price react and the impact of new wave of corona virus in UK, which in turn has alerted the same to WHO.

### Brazil real may gain further

- Brazil real last week traded in the region of 5.0098 and 5.0632 and finally settled the week at 5.1022 against the dollar index.
- Brazil real settled below key support levels may signal further appreciation going forward.

- Technically real may test the lower support of 4.95 to 4.80 against the dollar index going forward. As long as 5.35-5.40 is not violated, the appreciating trend of real to remain intact.
- For the first time in five months' brazil real has tested close to 5 against the dollar on optimism over economic recovery, vaccine development to contain Covid and on weakness in USD.

### Vietnam dong is likely to appreciate further

- Vietnam dong last week traded in the region of 23178.50 and 23119.50 and settled the week at 23124 as on Dec-18. Dong may trade in the broader region of 23100 and 23210 going forward.
- Vietnam's central bank last week has refuted the US treasury's move to designate the nation as a currency manipulator, saying it doesn't use it exchange rates to create an unfair competitive advantage in international trade.

### Comparative Movement of Currencies Jan-03-2020 to 18-Dec-2020

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

