

Currency Impact

Table-5: Currency Movement - FOREX Rates

Currency	12-18-2020	12-25-2020	Wk-on-Wk % Change
Indian Rupee (INR) RBI ref rate	73.51	73.59	0.11
Euro (EUR)	1.23	1.22	-0.81
Japanese Yen (JPY)	103.31	103.50	0.18
Brazilian Real (BRL)	5.10	5.22	2.35
Chinese Yuan (CNY)	6.54	6.54	0.00
Singapore Dollar (SGD)	1.33	1.33	0.00
Tanzanian Shilling (TZS)	2319.00	2319.00	0.00
Thai Baht (THB)	29.85	30.06	0.70
Mozambique New Metical (MZN)	74.54	74.61	0.09
Vietnam Dong (VND)	23125.00	23134.00	0.04
Indonesian Rupiah (IDR)	14110.00	14200.00	0.64
West African Franc (XOF)	543.86	537.25	-1.22
Ghanaian New Cedi (GHS)	5.86	5.87	0.17

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	73.30	73.00	74.10	74.30
USDBRL	4.95	4.80	5.25	5.40
USDVND	23100	23080	23160	23185

Rupee is likely to end the year on a positive note

- Indian rupee last week traded in the region of 74.10 and 73.50 and finally settled the week at 73.52 against the dollar.
- Technically rupee may well move higher towards 74.10-74.50 levels in the near term. At the same time 73.30-73.00 will act as strong support.
- Consistent fund flows in to the market along with Brexit trade deal may lead to rupee appreciate further during the week.
- However, yearend dollar buying by banks and corporate to settle their bill may cap the appreciation.
- The new form of Covid which has originate from UK and now spread to other nations at a faster pace and reports about new virus in Nigeria is a cause of concern and one need to wait for clarity on Covid as well as economic impact until first half of Jan 2021.

Brazil real may trade sideways

- Brazil real last week traded in the region of 5.1015 and 5.2238 and finally settled the week at 5.2157 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.
- Real weakened due to the spread of new Covid type, this has resulted in USD settled well above 90 coupled with year dollar demand.

Vietnam dong is likely to stay neural

- Vietnam dong last week traded in the region of 23120 and 23154.50 and settled the week at 23130 as on Dec-25. Dong may trade in the broader region of 23100 and 23210 going forward.
- The US treasury last week has announced that Vietnam as a currency manipulator and its currency was undervalued by 4.7 percent in 2019. In announcing the decision, Treasury said it would follow up the report with talks to include urging steps to address the causes of currency under valuation.

Comparative Movement of Currencies Jan-03-2020 to 25-Dec-2020

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

