

Currency Movement - FOREX Rates

Currency	02-25-2022	03-04-2022	Wk-on-Wk % Change
Indian Rupee (INR)	75.32	76.15	1.10
Euro (EUR)	1.1268	1.0926	-3.04
Japanese Yen (JPY)	115.54	114.78	-0.66
Brazilian Real (BRL)	5.16	5.06	-1.94
Chinese Yuan (CNY)	6.3171	6.3188	0.03
Singapore Dollar (SGD)	1.3536	1.3602	0.49
Tanzanian Shilling (TZS)	2315.00	2311.00	-0.17
Thai Baht (THB)	32.46	32.69	0.71
Mozambique New Metical (MZN)	64.10	64.10	0.00
Vietnam Dong (VND)	22830.00	22830.00	0.00
Indonesian Rupiah (IDR)	14367.00	14385.00	0.13
West African Franc (XOF)	585.25	592.25	1.20
Ghanaian New Cedi (GHS)	6.74	7.05	4.60
EURO West African Franc	659.75	647.09	-1.92

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	76.00	75.50	76.85	77.45
EURO	644	639	654	659
EURUSD	1.08	1.06	1.11	1.13

Indian rupee may weaken further amid escalating commodity prices and geo-political tensions

- Indian rupee last week traded in the region of 75.26 and 76.22 and finally settled the week at 76.15 against the dollar as on Mar 04.
- Rupee in the last few weeks was highly volatile and settled well above 76.15 signalling more weakness ahead.
- Strong rally in dollar index as risk aversion measure, escalating Geo-political tensions, not sure how long Russia-Ukraine war lasts it may not end soon, US, EU and others countries economic sanctions on Russia, surge in crude oil (possible heading towards all time highs) and gold prices, outflow of funds from stock markets, the above all may widen current account deficit as well as result in inflationary pressures going forward (in the coming one to two months' time period) and hence rupee may witness wild swings going forward.
- On the domestic front the crucial states poll outcome will be known on March 10, which is considered as acid test for the ruling party.
- One can foresee rupee to trade in the broader range of 75.50 and 77.50 going forward.

EUR/USD

EUR vulnerable to further selling pressure, volatility to continue

- EUR last week traded in the region of 1.1246 and 1.0884 and settled the week at 1.0932 as on Mar 04.
- EURUSD is highly vulnerable considering the current complex scenario arising out of Russia-Ukraine conflict and on escalating commodity prices along with surge in US dollar index.
- As we rightly pointed euro weakened towards 1.09-1.08 during the week.
- Now the much talked rate hikes by FED, ECB in the coming months may have to consider the economic impact arising out of Russia invading Ukraine and the events in the next one week is critical in terms of its overall implications. But at the same time inflationary pressures may create more challenges to global central bank policy makers in the next one quarter or so.

EUR may trade in the broader region of 1.0600 and 1.1350 against the USD going forward.