

Currency Movement – FOREX Rates

Currency	07-22-2022	07-29-2022	Wk-on-Wk % Change
Indian Rupee (INR)	79.90	79.26	-0.80
Euro (EUR)	1.0212	1.0211	-0.01
Japanese Yen (JPY)	136.07	133.37	-1.98
Brazilian Real (BRL)	5.50	5.18	-5.82
Chinese Yuan (CNY)	6.7500	6.7442	-0.09
Singapore Dollar (SGD)	1.3876	1.3821	-0.40
Tanzanian Shilling (TZS)	2327.00	2325.00	-0.09
Thai Baht (THB)	36.64	36.33	-0.85
Mozambique New Metical (MZN)	64.10	63.80	-0.47
Vietnam Dong (VND)	23400.00	23335.00	-0.28
Indonesian Rupiah (IDR)	15015.00	14830.00	-1.23
West African Franc (XOF)	643.50	640.50	-0.47
Ghanaian New Cedi (GHS)	8.11	8.45	4.19
EURO West African Franc	657.01	654.01	-0.46

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	78.95	78.65	79.85	80.30
EURO	636	631	649	655
EURUSD	1.00	0.98	1.04	1.06

Indian rupee is likely to appreciate further as long as it does not violate 80

- Indian rupee last week traded in the region of 79.92 and 79.16 and finally settled the week at 79.53 against the dollar as on July 29.
- Rupee as we rightly pointed out came under profit booking after failing to sustain above 80.
- Rupee gained on expectations that US fed may not be aggressive in hiking rates going forward as the US economy contracted for the second consecutive quarter.
- The RBI this week is likely to hike interest rates further in the region of 365 to 50 bps.
- The US Fed in its July 26-27th meeting as widely expected hiked interest rates by 75 basis points and the total hike so far in 2022 is 225 bps.
- Another "unusually large increase could be appropriate" at the next meeting in September, Powell said, stressing that US central bankers "wouldn't hesitate to make a larger move than we did today" if justified.

- One can foresee rupee to trade in the broader region of 78.35 and 79.80 in the short term.

EUR/USD

EUR stays above parity, but recession fear looms large in Euro zone region

- EUR last week traded in the region of 1.0095 and 1.0254 and settled the week at 1.0225 as on July 29.
- EUR after having hit a two-decades low is trying to stage a comeback. Technical formation signals further weakness, although it could slightly rebound in the near term for the recent fall.
- European region handicapped by the disruption of energy supplies from Russia, which especially disrupts German industry. Most of the rating agencies/prominent banks are forecasting recession in euro region going forward.

Technically EUR may trade in the broader region of 0.98/0.95 and 1.0500 against the USD going forward.