

Currency Movement – FOREX Rates

Currency	05-13-2022	05-20-2022	Wk-on-Wk % Change
Indian Rupee (INR)	77.40	77.65	0.32
Euro (EUR)	1.0411	1.0560	1.43
Japanese Yen (JPY)	129.19	127.85	-1.04
Brazilian Real (BRL)	5.06	4.88	-3.56
Chinese Yuan (CNY)	6.7880	6.6921	-1.41
Singapore Dollar (SGD)	1.3922	1.3800	-0.88
Tanzanian Shilling (TZS)	2325.00	2321.00	-0.17
Thai Baht (THB)	34.72	34.39	-0.95
Mozambique New Metical (MZN)	64.10	64.10	0.00
Vietnam Dong (VND)	23086.50	23160.00	0.32
Indonesian Rupiah (IDR)	14610.00	14650.00	0.27
West African Franc (XOF)	630.75	618.00	-2.02
Ghanaian New Cedi (GHS)	7.55	7.72	2.25
EURO West African Franc	656.74	652.61	-0.63

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	77.35	76.90	77.95	78.10
EURO	647	641	658	663
EURUSD	1.03	1.00	1.07	1.09

Indian rupee at record low, may retreat in the near term, overall weakness in trend intact

- Indian rupee last week traded in the region of 77.89 and 77.41 and finally settled the week on a weaker note at 77.65 against the dollar as on May 20.
- To rein spiralling inflation the government of India has cut down the price of petroleum products during the weekend. But this may result in India failing to maintain its fiscal deficit. India's wholesale price index in April jumped to an all-time high of 15.1 percent.
- Geo-political concerns remain as Russia-Ukraine, about to enter fourth month and China's prolonged lockdown may result in supply chain bottlenecks going forward.
- The RBI is said to have intervened in the forex market by selling dollars, which was evident as forex reserves fell from a high of \$642.5 billion to about \$597 billion.
- One can foresee rupee to trade in the broader range of 76.55 and 78.10 in the short term.

EUR/USD

EUR may gain in the near term

- EUR last week traded in the region of 1.0387 and 1.0607 and settled the week almost unchanged at 1.0558 as on May 20.
- Technically EUR is oversold and bounced back during last week signaling temporary pull back towards 1.07-1.08 in the coming few weeks.
- This weeks FOMC meeting minutes and US Q2 GDP data will give clarity about further rate hikes by US fed and on how the economy is going to shape up in the coming months.
- It is learnt that Germany and Italy may allow the companies to go ahead with purchasing of gas from Russia by the way of opening rouble accounts without breaching the sanctions after discussion with other EU countries.

Technically EUR and may trade in the broader region of 1.0300 and 1.0900 against the USD going forward.