

Currency Movement – FOREX Rates

Currency	07-29-2022	08-05-2022	Wk-on-Wk % Change
Indian Rupee (INR)	79.26	79.23	-0.04
Euro (EUR)	1.0211	1.0181	-0.29
Japanese Yen (JPY)	133.37	134.97	1.20
Brazilian Real (BRL)	5.18	5.16	-0.39
Chinese Yuan (CNY)	6.7442	6.7607	0.24
Singapore Dollar (SGD)	1.3821	1.3812	-0.07
Tanzanian Shilling (TZS)	2325.00	2328.00	0.13
Thai Baht (THB)	36.33	35.76	-1.57
Mozambique New Metical (MZN)	63.80	64.11	0.49
Vietnam Dong (VND)	23335.00	23385.00	0.21
Indonesian Rupiah (IDR)	14830.00	14890.00	0.40
West African Franc (XOF)	640.50	637.50	-0.47
Ghanaian New Cedi (GHS)	8.45	8.67	2.60
EURO West African Franc	654.01	649.04	-0.76

Symbol	Support S1	S2	Resistance (R1)	R2
USDINR	78.75	78.35	79.85	80.30
EURO	631	625	643	649
EURUSD	1.00	0.98	1.04	1.06

Indian rupee may appreciate as long as it does not violate 80

- Indian rupee last week traded in the region of 78.49 and 79.81 and finally settled the week at 79.23 against the dollar as on Aug 05.
- Rupee as we rightly pointed out came under profit booking after failing to sustain above 80.
- The RBI has increased rates by 50 bps during last week, the third such hike in the past few months. The RBI maintained its inflation projection at 6.7% in 2022-23 and real GDP growth projection at 7.2%.
- Further move in rupee will depend on the progress of the Southwest monsoon rains during reminder of August and September and the crop outlook which could influence inflationary pressures on either side and geo-political tensions wherein the focus now shifts to China-Taiwan-US going forward.
- One can foresee rupee to trade in the broader region of 78.35 and 79.80 in the short term (this is valid as long as 80 is not violated).

EUR/USD

EUR stays sideways, key economic releases during this week key to further cues

- EUR last week traded in the region of 1.0294 and 1.0121 and settled the week at 1.0181 as on Aug 05.
- 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.
- The US Non-farm pay rolls data rose to 528k versus expected 250k and moreover previous data revised upwards to 398k, signalling FED is not done away with hiking further interest rates in combating inflation.
- Elsewhere rating agency Moody's has announced cutting of Italy's outlook from 'Stable' to 'Negative'.
- Further move in EUR to depend on this week slew of economic releases from eurozone countries such as inflation data, industrial production and trade balance to determine further direction of EURUSD going forward.

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