

Currency Wars



Currency wars had been going on in the history. The first major instance being in 1930's ,followed by 1970-80.

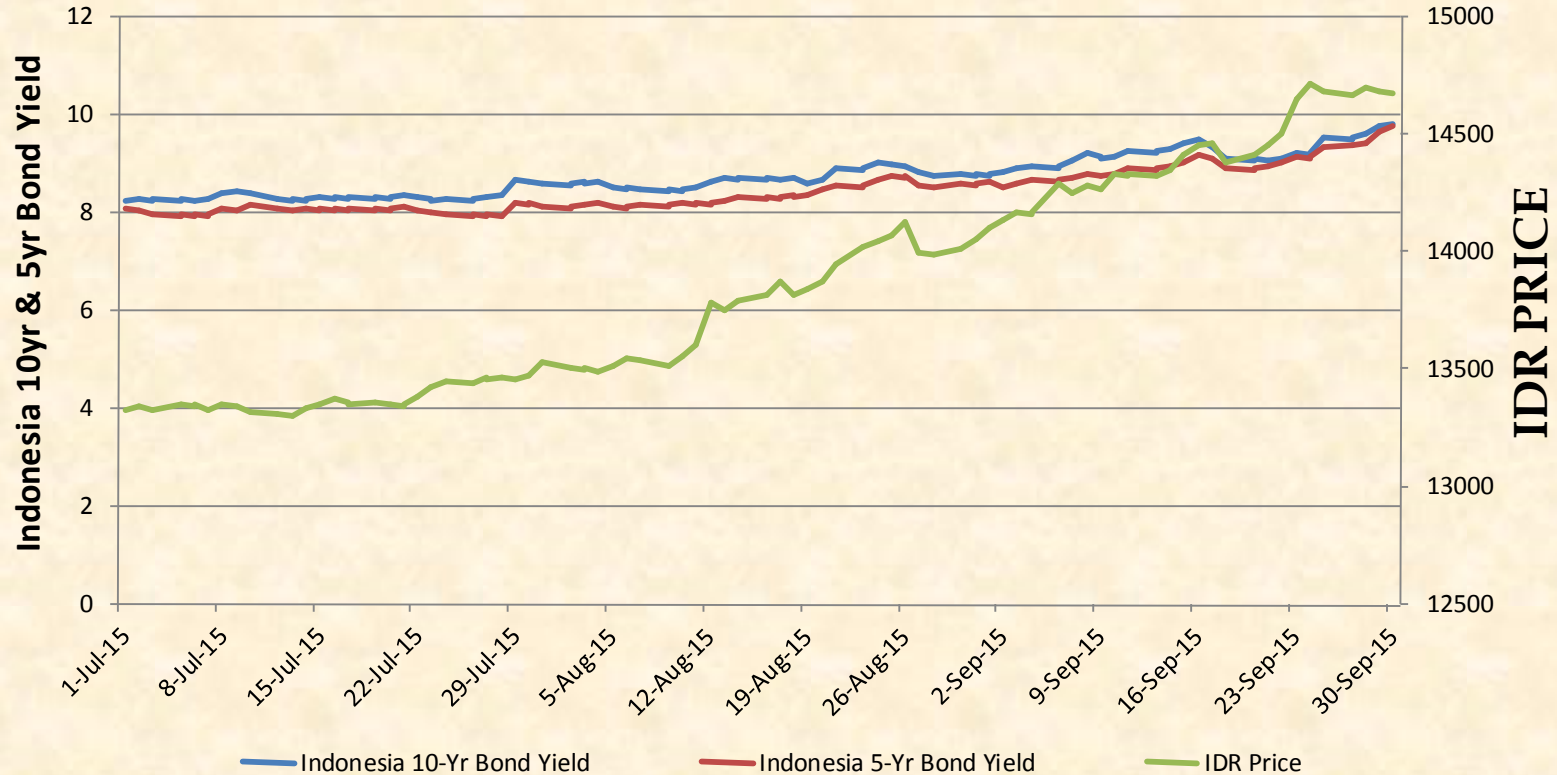
The latest in this direction was witnessed in August 2015 when China devalued it's currency Renminbi on 11th and 13th August 2015. It's effect on the currencies of Emerging market currencies was substantial.

Here we captured the movements in currencies/USD and the movements in the domestic treasury yields of 5year and 10year securities, of BRIICS- Indonesia, Brazil, China, India, Russia and South Africa vis-a-vis India.

For each currency, we have a slide representing the total picture.

Panel discussion at FAI Annual assembly 2-4 Oct 2015- Kuala Lumpur.-D.V.S.S.V.Prasad, CEO,FIMMDA.

Comparative change curve for Indonesian Rupiah



Change analysis - INDONESIA



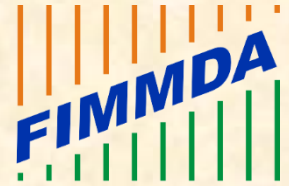
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Widening Horizons*

INDONESIA		Exchange Rate	10 Yr	5 Yr
change from 1/8/15 to 13/8/15		240	0.084	0.05
percent change		1.777	0.974	0.612
change from 1/8/15 to 30/9/15		1166	1.177	1.599
percent change		8.63	13.65	19.58

Renminbi change curve



Change analysis-CHINA



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CHINA	Exchange Rate	10 Yr	5 Yr
change from 1/8/15 to 13/8/15	0.19	0.06	0.07
percent change	3.05	1.71	2.32
change from 1/8/15 to 30/9/15	0.15	-0.22	-0.13
percent change	2.35	-6.28	-3.94



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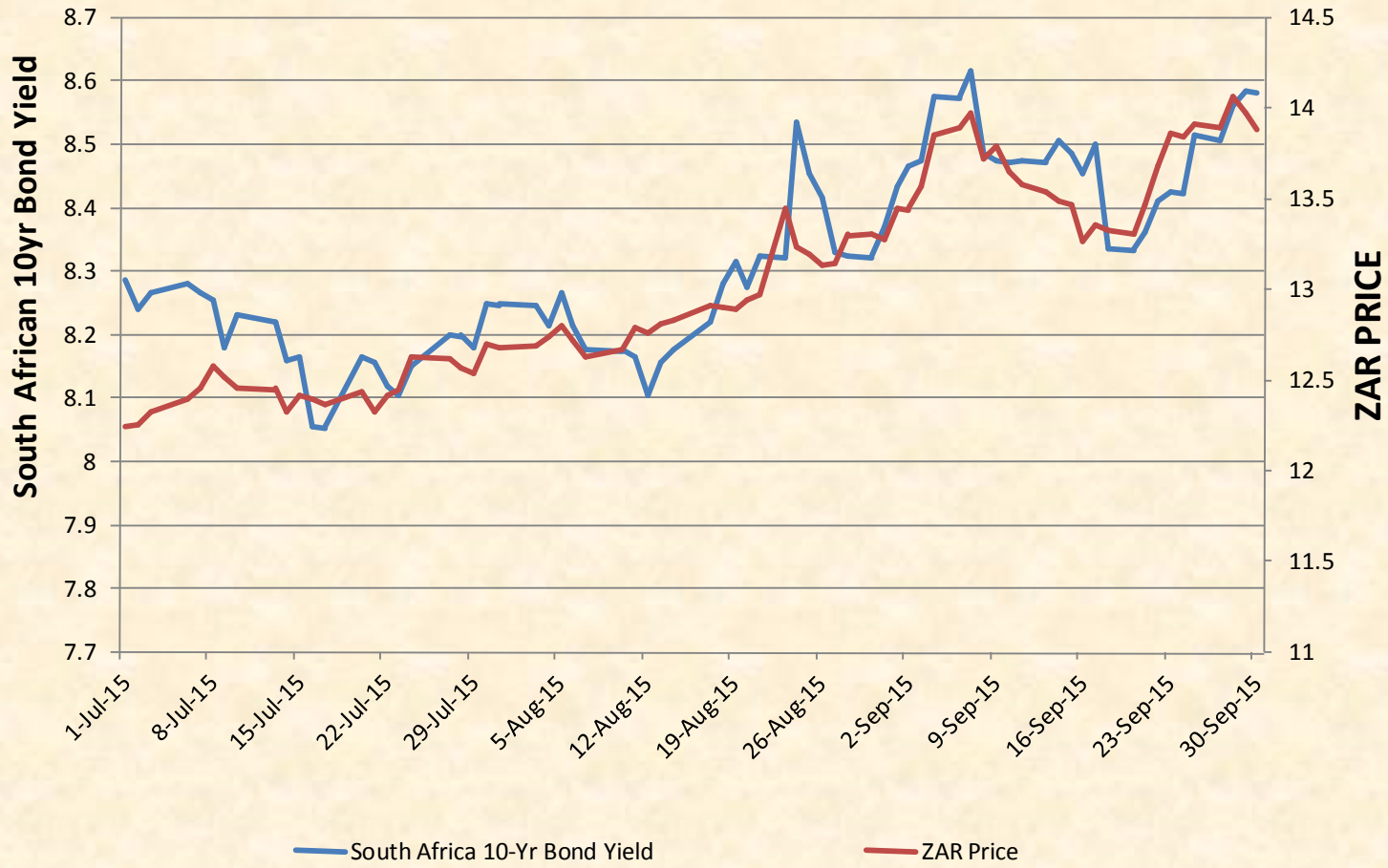
Russian change curve



Change analysis -RUSSIA

RUSSIA		Exchange Rate	10 Yr
change from 1/8/15 to 13/8/15		3.05	0.04
percent change		4.95	0.36
change from 1/8/15 to 30/9/15		3.83	0.25
percent change		6.21	2.26

South African Rand Change Curve



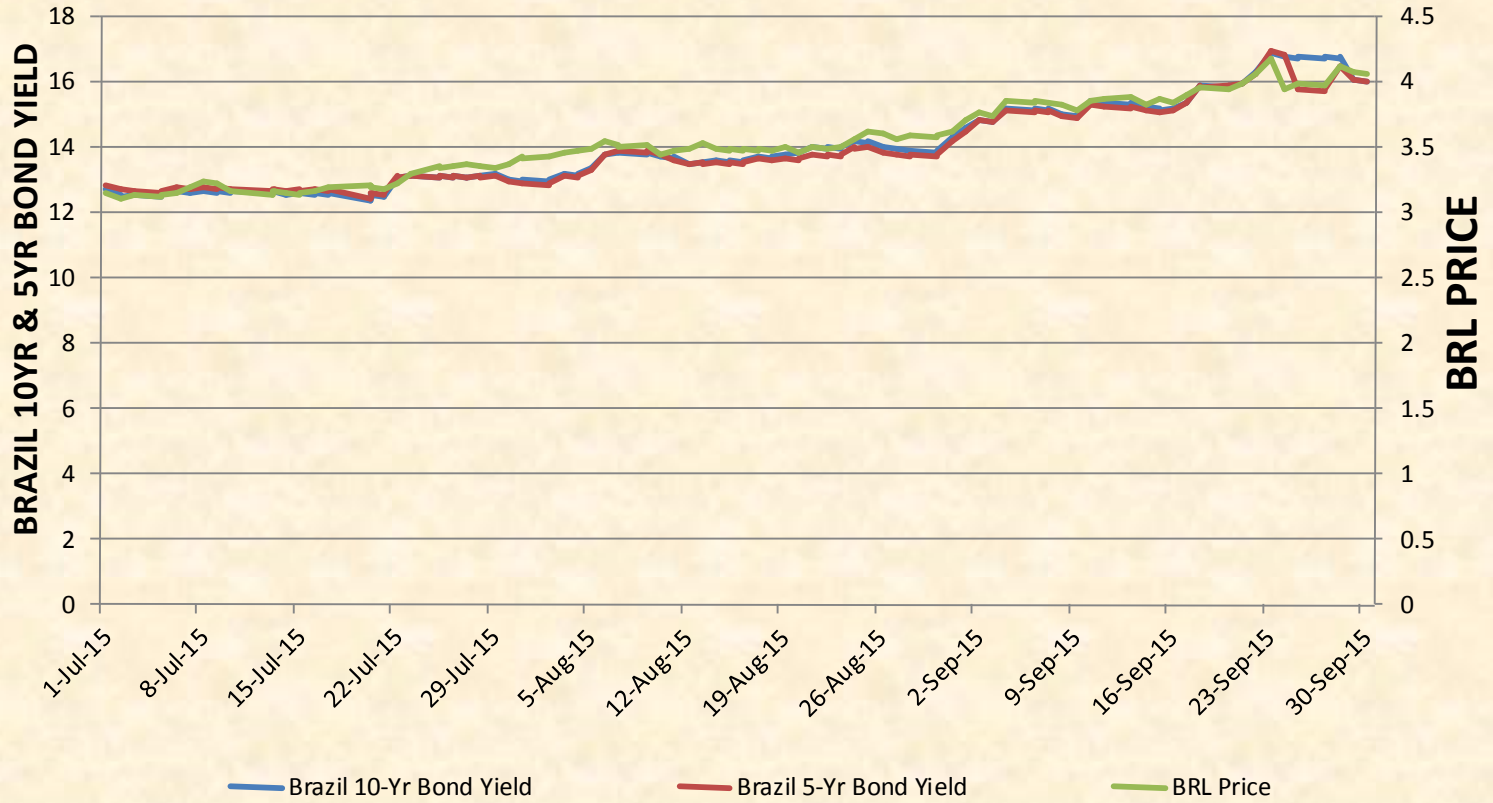
Change Analysis - SOUTH AFRICA

SOUTH AFRICA		Exchange Rate	10 Yr
change from 1/8/15 to 13/8/15		0.12	-0.09
percent change		0.98	-1.09
change from 1/8/15 to 30/9/15		1.19	0.34
percent change		9.40	4.06



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Brazilian Real Change Curve



Change analysis- BRAZIL

BRAZIL		Exchange Rate	10 Yr	5 Yr
change from 1/8/15 to 13/8/15		0.10	0.11	0.40
percent change		2.82	3.34	3.09
change from 1/8/15 to 30/9/15		0.64	0.61	2.96
percent change		18.58	18.29	22.53

Change analysis - India

India	Exchange Rate	Yield 10year	Yield 5 year
Change from 1/8/2015 till 13/08/2015	1.07	7.8150— 7.7450=- 0.07	7.9500- 7.9250=- 0.0250
Percentage Change	1.60	-0.09	0.09
Change from 1/8/2015 till 28/9/2015(prior to monetary policy review)	2.01	-0.10	-0.025
Percentage Change	3.14	-0.09	-0.032

Consolidated Analysis



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Variation/Volatility percentage 1/8/2015 to 30/9/2015	Indonesia	Brazil	China	Russia	South Africa	INDIA
Exchange rate	8.63	18.58	2.35	6.21	9.40	3.14
5- Year Treasury Bill	19.58	22.53	-3.94	--NA	NA	-0.03
10 year treasury Bill	13.65	18.29	-6.28	2.26	4.06	-0.09
India period is between 1/8 till 28/9(Policy on 29/9)						