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 its currency Renminbi on 11th and 13th August 2015. Its 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

<table>
<thead>
<tr>
<th></th>
<th>Exchange Rate</th>
<th>10 Yr</th>
<th>5 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDONESIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>change from 1/8/15 to 13/8/15</td>
<td>240</td>
<td>0.084</td>
<td>0.05</td>
</tr>
<tr>
<td>percent change</td>
<td>1.777</td>
<td>0.974</td>
<td>0.612</td>
</tr>
<tr>
<td>change from 1/8/15 to 30/9/15</td>
<td>1166</td>
<td>1.177</td>
<td>1.599</td>
</tr>
<tr>
<td>percent change</td>
<td>8.63</td>
<td>13.65</td>
<td>19.58</td>
</tr>
</tbody>
</table>
## Change analysis-CHINA

<table>
<thead>
<tr>
<th></th>
<th>Exchange Rate</th>
<th>10 Yr</th>
<th>5 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>change from 1/8/15 to 13/8/15</td>
<td>0.19</td>
<td>0.06</td>
<td>0.07</td>
</tr>
<tr>
<td>percent change</td>
<td>3.05</td>
<td>1.71</td>
<td>2.32</td>
</tr>
<tr>
<td>change from 1/8/15 to 30/9/15</td>
<td>0.15</td>
<td>-0.22</td>
<td>-0.13</td>
</tr>
<tr>
<td>percent change</td>
<td>2.35</td>
<td>-6.28</td>
<td>-3.94</td>
</tr>
</tbody>
</table>
Russian change curve

Russia 10yr Bond Yield

Russia 10-Year Bond Yield

RUB Price
<table>
<thead>
<tr>
<th>RUSSIA</th>
<th>Exchange Rate</th>
<th>10 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>change from 1/8/15 to 13/8/15</td>
<td>3.05</td>
<td>0.04</td>
</tr>
<tr>
<td>percent change</td>
<td>4.95</td>
<td>0.36</td>
</tr>
<tr>
<td>change from 1/8/15 to 30/9/15</td>
<td>3.83</td>
<td>0.25</td>
</tr>
<tr>
<td>percent change</td>
<td>6.21</td>
<td>2.26</td>
</tr>
</tbody>
</table>
## Change Analysis - SOUTH AFRICA

<table>
<thead>
<tr>
<th>SOUTH AFRICA</th>
<th>Exchange Rate</th>
<th>10 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>change from 1/8/15 to 13/8/15</td>
<td>0.12</td>
<td>-0.09</td>
</tr>
<tr>
<td>percent change</td>
<td>0.98</td>
<td>-1.09</td>
</tr>
<tr>
<td>change from 1/8/15 to 30/9/15</td>
<td>1.19</td>
<td>0.34</td>
</tr>
<tr>
<td>percent change</td>
<td>9.40</td>
<td>4.06</td>
</tr>
</tbody>
</table>
Brazilian Real Change Curve

Brazil 10-Yr Bond Yield
Brazil 5-Yr Bond Yield
BRL Price
### Change analysis- BRAZIL

<table>
<thead>
<tr>
<th></th>
<th>Exchange Rate</th>
<th>10 Yr</th>
<th>5 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>change from 1/8/15 to 13/8/15</td>
<td>0.10</td>
<td>0.11</td>
<td>0.40</td>
</tr>
<tr>
<td>percent change</td>
<td>2.82</td>
<td>3.34</td>
<td>3.09</td>
</tr>
<tr>
<td>change from 1/8/15 to 30/9/15</td>
<td>0.64</td>
<td>0.61</td>
<td>2.96</td>
</tr>
<tr>
<td>percent change</td>
<td>18.58</td>
<td>18.29</td>
<td>22.53</td>
</tr>
<tr>
<td></td>
<td>Exchange Rate</td>
<td>Yield 10year</td>
<td>Yield 5 year</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Change from 1/8/2015 till 13/08/2015</td>
<td>1.07</td>
<td>7.8150—7.7450=—0.07</td>
<td>7.9500—7.9250=—0.0250</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>1.60</td>
<td>-0.09</td>
<td>0.09</td>
</tr>
<tr>
<td>Change from 1/8/2015 till 28/9/2015 (prior to monetary policy review)</td>
<td>2.01</td>
<td>-0.10</td>
<td>-0.025</td>
</tr>
<tr>
<td>Percentage Change</td>
<td>3.14</td>
<td>-0.09</td>
<td>-0.032</td>
</tr>
</tbody>
</table>
## Consolidated Analysis

<table>
<thead>
<tr>
<th>Variation/Volatility percentage 1/8/2015 to 30/9/2015</th>
<th>Indonesia</th>
<th>Brazil</th>
<th>China</th>
<th>Russia</th>
<th>South Africa</th>
<th>INDIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate</td>
<td>8.63</td>
<td>18.58</td>
<td>2.35</td>
<td>6.21</td>
<td>9.40</td>
<td>3.14</td>
</tr>
<tr>
<td>5- Year Treasury Bill</td>
<td>19.58</td>
<td>22.53</td>
<td>-3.94</td>
<td>--NA</td>
<td>NA</td>
<td>-0.03</td>
</tr>
<tr>
<td>10 year treasury Bill</td>
<td>13.65</td>
<td>18.29</td>
<td>-6.28</td>
<td>2.26</td>
<td>4.06</td>
<td>-0.09</td>
</tr>
</tbody>
</table>

India period is between 1/8 till 28/9 (Policy on 29/9)