

Coronavirus fallout: No demand for yuan, ringgit, baht & Singapore dollar

Forex Traders See Slump In Currency Biz

SwathyR.Iyer@timesgroup.com

Bengaluru:

The coronavirus (COVID-19) outbreak has found an unlikely victim in Bengaluru: the foreign exchange (forex) market.

A few forex traders, who are facing a severe shortage of customers and queries, have now stopped accepting Chinese yuan, Singapore dollar, Malaysian ringgit and Thai baht.

The number of people travelling to coronavirus-affected countries — mainly China, Singapore, Thailand and Malaysia — has fallen drastically, rendering trading of these currencies unviable, say forex traders.

“The combined impact of a sluggish economy and the coronavirus scare has resulted in dwindling demand for our travel segments. This has had a cascading effect on our retail forex business. It also coincides with the peak booking season for summer vacations,” said Mahesh Iyer, executive director & chief executive officer, Thomas Cook (India) Limited, which has six counters at Kempegowda International Airport.

Forex counters at KIA have also been struggling with multiple flights getting cancelled and falling passenger footfall to/from these affected countries.

“Indians have stopped travelling to many of the affected countries and the list of nations included in the travel advisory only continues to grow. International visitors have also stopped coming. Our business has taken a hit,” said Sagar Reddy, director in-charge of Tei Forex on Brigade Road.

“We are no longer taking yuan, Singapore dollar, Thai baht and Malaysian ringgit. There is no demand for them. Neither are there individual queries, nor corporate ones,” said Syed, who manages a forex shop in the city’s central business district.

Traders pointed out that even Hong Kong dollar and Japanese yen aren’t being accepted in a few places.

“Both individual and corporate queries have dropped drastically. While individuals are postponing their trips, corporate trips and meets are getting cancelled,” said a currency trader from in Jayanagar.

As of February 25, China continues to be the worst hit nation, with more than 78,000 confirmed cases, followed by South Korea (1,261). Italy (374) and Iran (139) too have seen a jump in the number of cases reported.

On Wednesday, the ministry of health and family welfare issued a travel advisory instructing Indians to refrain from travelling to South Korea, Italy and Iran as well.