

Forex reserves top \$700 billion

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India's foreign exchange reserves rose by \$4.8 billion to \$702.7 billion during the week ended June 27.

This is the highest since September 27, 2024, when the reserves had touched all-time high of \$705 billion, latest data released by the Reserve Bank of India (RBI) showed.

The total reserves were up on the back of a rise in foreign currency assets, which rose by \$5.7 billion during the reported week.

This increase in foreign currency assets was driven by active intervention by the RBI via dollar purchase, said experts.

The central bank net purchases were \$5.9 billion during the week. However, the rise in reserves was partially offset by a revaluation loss of around \$1.5 billion, they said.

"The \$702 billion number has been achieved with the RBI actually buying \$5.9 billion during the week. It got slightly balanced out by a revaluation loss of \$1.5 billion. So technically, reserves should be higher this week as well, because there was dollar weakness, but we don't have an estimate yet," said Gaura Sen Gupta, chief economist, IDFC FIRST Bank.

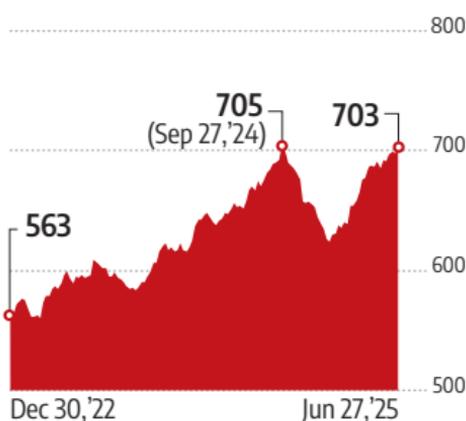
"For the full month of June, the RBI has net bought dollars in small amounts," she added.

The rupee appreciated by 1.3 per cent in the reported week, mirroring a 1.3 per cent decline in the dollar index. According to the latest data, the RBI had net sold \$1.6 bil-



Nearing peak

India's forex reserves (\$ bn)



Source: RBI, Bloomberg

lion in April, after a net purchase of \$14.3 billion in March.

The central bank had net sold \$34.5 billion in FY25, the highest since net sales of \$34.9 billion in 2008-09.

Based on continued rupee appreciation and broad-based dollar weakness, market participants expect the foreign exchange reserves to have increased in the current week due to positive revaluation effects.

"The RBI's intervention was there in the current week also. We might expect the reserves to have inched up further," said the treasury head at a private bank.