

Forex kitty up \$44 mn on rise in RBI gold reserves

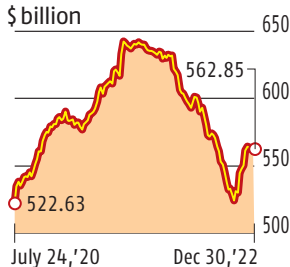
The Reserve Bank of India's foreign exchange reserves rose by \$44 million to \$562.85 billion in the week ended December 30, latest central bank data showed.

The marginal rise in the RBI's reserves in the week gone by was due to an increase in the central bank's gold reserves, which rose \$354 million to \$41.32 billion, the data showed.

The RBI's foreign currency assets declined \$302 million to \$498.19 billion in the week ended December 30. During the previous week, the rupee appreciated by a marginal 0.2 per cent versus the dollar.

For 2022 as a whole, the Indian unit shed a little more

RESERVES BACK TO GAINING TREND



Source: RBI
Compiled by BS Research Bureau

than 10 per cent against the greenback amid global risk aversion sparked by the Ukraine war and the US Federal Reserve's aggressive

monetary tightening.

While the rupee weakened against the US currency, the extent of depreciation wasn't as much as many other currencies, partly due to the RBI selling dollars from its reserves.

As on February 25, 2022, which was around the time that Russia invaded Ukraine, RBI's foreign exchange reserves stood at \$631.53 billion. The RBI said last month that foreign exchange reserves worth \$564.1 billion as on December 9 accounted for 9.2 months of imports projected for the current financial year. The level of reserves in September 2021 had accounted for close to 15 months of imports.

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