

# Forex kitty hit historic high of \$652 bn in May

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Mumbai, 7 June

India's foreign exchange reserves increased by \$4.83 billion to touch a historic high of \$651.5 billion as of May 31, Reserve Bank of India Governor Shaktikanta Das said in his recent monetary policy statement. Governor Das expressed confidence that the central bank was well-positioned to meet the country's external financing requirements comfortably.

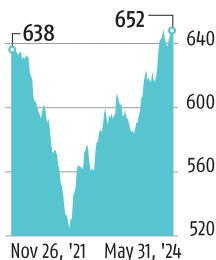
"Touching a new milestone, India's foreign exchange reserves reached a historical high of \$ 651.5 billion as on May 31. India's external sector remains resilient and the key external vulnerability indicators continue to improve. Overall, we

remain confident of meeting our external financing requirements comfortably," he said. On May 24, the country's forex reserve was reported at \$646.6 billion.

"Despite recent foreign portfolio investment (FPI) outflows and a moderation in net foreign direct investment (FDI), India remains an attractive destination for capital inflows. Confidence in managing external financing needs is underscored by record-high forex reserves of \$651 billion, further bolstered by growth in ECB agreements, non-resident deposits, and potential bond inclusion flows," said SBI Capital Markets in a note.

## ON THE RISE

Forex reserves in \$ bn



Source: RBI

Compiled by BS Research Bureau