

Forex reserves fall \$9.3 bn on RBI dollar sales

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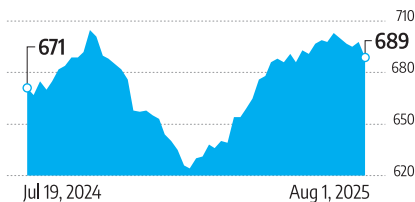
India's foreign exchange (forex) reserves fell by \$9.3 billion to \$688.8 billion in the week ended August 1, the highest weekly fall in eight months, latest data by the Reserve Bank of India (RBI) showed.

Reserves fell almost \$18 billion for the week ended November 15, 2024. The reserves had hit a record high of \$705 billion in September 2024.

Experts said that the total reserves fell on the back of dollar sales in the rupee spot market and revaluation losses, contributing largely to the decline in foreign currency assets, which dipped by \$7.3 billion during the reported week. "The RBI sold around \$6.9 billion in spot because the rupee was under pressure during the week," said Gaura Sen Gupta, chief economist at IDFC FIRST Bank. "There was a revaluation loss of about \$2.1 billion," he added. The rupee had breached 87 per dollar mark in the previous week after US President Donald Trump imposed a 25 per cent tariff on exports of Indian goods.

Highest weekly fall in 8 mths

Foreign exchange reserves (\$ billion)



Source: RBI, Bloomberg

Compiled by BS Research Bureau