

Forex kitty at 3-month high

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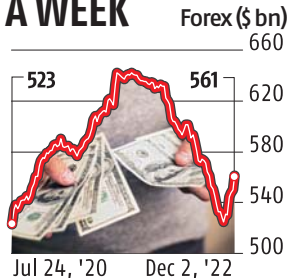
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The Reserve Bank of India's foreign exchange reserves rose \$11.02 billion to \$561.16 billion in the week ended December 2, marking their highest levels since August 26.

The sharp rise in the foreign exchange reserves was primarily on account of a jump in the RBI's foreign currency assets, which climbed \$9.7 billion to \$496.98 billion in the previous week, latest data showed.

The data marks the fourth consecutive week in which the RBI's reserves have risen. As on November 4, the reserves were at \$530 billion. The large

UP \$11 BN IN A WEEK



Source: RBI
Compiled by BS Research Bureau

increase in reserves comes amid a steep decline in the US dollar index. The dollar index weakened around 6 per cent in

November as data showing a larger-than-expected decline in US inflation led to expectation of the Federal Reserve slowing down the pace of its monetary tightening.

In the week ended December 2, the rupee gained 0.45 per cent against the US dollar ending the week at 81.32 per dollar. So far in 2022, the domestic currency has depreciated 9.6 per cent against the greenback.

With the decline in the dollar index leading to strength in emerging market currencies like the rupee, the RBI had likely started replenishing its foreign exchange reserves, analysts said.