

Forex reserves drop by \$1.2 bn

PRESS TRUST OF INDIA

Mumbai, 13 January

India's forex reserves declined by \$1.268 billion to \$561.583 billion for the week ended January 6, the Reserve Bank said on Friday.

The overall reserves had increased by \$44 million to \$562.851 billion in the previous reporting week after two consecutive weeks of the slide.

In October 2021, the country's foreign exchange kitty reached an all-time high of \$645 billion. The reserves had been declining as the central bank deployed the reserves to defend the rupee amid pressures caused by global developments.

Foreign currency assets, a major component of the overall reserves, dropped by \$1.747 billion to \$496.441 billion during the week to January 6, according to



the Weekly Statistical Supplement released by the RBI.

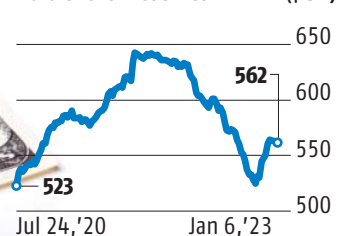
Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Gold reserves increased by \$461 million to \$41.784 billion,

THE TRAJECTORY

India's forex reserves

(\$ bn)



Source: RBI

Compiled by BS Research Bureau

it said.

The Special Drawing Rights were up by \$35 million to \$18.217 billion, the apex bank said.

The country's reserve position with the International Monetary Fund (IMF) was down by \$18 million to \$5.141 billion in the reporting week, the data showed.

Credit growth tapers off

Credit growth of scheduled commercial banks tapered off in the second fortnight of December, which fell to 14.9 per cent year-on-year (YoY) from 17.4 per cent a fortnight ago. Year-on-year credit growth peaked for the fortnight ended October 7, 2022, when it hit 17.9 per cent.

Banks extended loans of almost ₹1.5 trillion during the fortnight ended December 30. Deposit growth till December 30 was 9.2 per cent, slightly lower than 9.4 per cent recorded a fortnight ago, the latest data released by the Reserve Bank of India showed.

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