

Forex reserves rise to 9-month high of \$585 bn

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India's foreign currency reserves increased by \$6.3 billion to \$584.75 billion in the week ended April 7, the highest level in about nine months. The last highest level was \$588 billion in a week ended July 1, 2022.

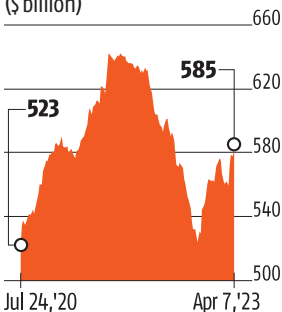
The rise in reserves for the reported week was mainly because of an accretion of \$4.74 billion that took the currency reserves to \$514.4 billion, according to the Reserve Bank of India data.

The gold reserves were valued at \$46.69 billion, up by \$1.49 billion in a week, the RBI data showed. The special drawing rights were up by mere \$58 million to \$18.45 billion. The reserve position with the International Monetary Fund grew by just \$13 million to \$5.17 billion in a week ended April 7. The foreign exchange reserves were lower by \$19.25 billion compared to a level a year ago.

According to the Monetary Policy Committee report in April, the foreign exchange reserves stood at

KITTY UP BY \$6.3 BN

(\$ billion)



Compiled by BS Research Bureau

Source: RBI

\$578.4 billion at the end of March, equivalent to 9.8 months of projected merchandise imports in 2022-23 or 94.4 per cent of outstanding external debt at the end of December 2022.

The appreciation of the US dollar, triggered by aggressive rate hikes and the hawkish stance of the US Fed, exerted depreciation pressure on currencies of emerging market economies. Buffeted by these global spillovers, the Indian rupee touched an all-time low of 83.2 per dollar on October 20, 2022.