

Forex reserves fall \$2.4 bn to \$560 bn

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The Reserve Bank of India's (RBI's) foreign exchange reserves fell \$2.4 billion to \$560 billion in the week ended March 10, latest data showed.

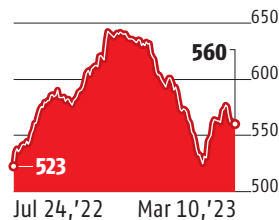
The decline in foreign exchange reserves was largely on account of a fall in the RBI's foreign currency assets, which dropped \$2.2 billion to \$494.86 billion in the previous week.

Last week, the rupee depreciated 0.1 per cent against the US dollar. In the week ended March 3, the RBI's foreign exchange reserves had snapped four consecutive weeks of losses, rising \$1.5 billion. Over the past six weeks, the RBI has been selling US dollars to contain volatility in the rupee's exchange rate, currency dealers said.

The domestic currency has

IN DECLINE

Foreign exchange reserves (in \$ bn)



experienced turbulence since February due to apprehensions of more rate hikes by the US Federal Reserve.

Over the last nine days, however, the collapse of the Silicon Valley Bank has led to speculation of the Fed slowing down on rate hikes. The rupee, however, has not benefited much from the altered view on Fed rates as the global wave of risk aversion sent investors to the safety of the dollar.