

Forex reserves climb to over 3-month high

REUTERS

Mumbai, 21 March

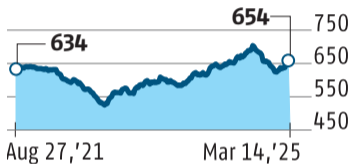
The country's foreign exchange reserves rose by \$300 million to a more than three-month high of \$654.27 billion as of March 14, data released by the Reserve Bank of India (RBI) on Friday showed.

They had risen by \$15.3 billion in the prior week, the biggest jump since August 2021.

Changes in foreign currency assets are caused by the central bank's intervention in the forex market as well as the appreciation or depreciation of foreign assets held in the reserves.

ON A RISE

India foreign exchange reserves (\$bn)



Source: RBI, Bloomberg
Compiled by BS Research Bureau

The rupee and most Asian currencies have been volatile due to an uncertain global risk environment, gripped by uncertainties surrounding global trade and growth from constant changes in US tariff plans.

The RBI has repeatedly curtailed volatility in the forex market through dollar sales in the spot market and has also conducted dollar-rupee buy-sell swaps to help boost rupee liquidity in the banking system. In the week to which the reserves data pertains, the rupee depreciated 0.1 per cent week-on-week.

The currency ended at 85.9725 on Friday. It rose to a 10-week high of 85.9375 during Friday's session and gained 1.2 per cent in the week.

Foreign exchange reserves include India's Reserve tranche position at the International Monetary Fund.