

Forex reserves rise \$14 billion in best week in 10 months

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Mumbai, 23 January

India's foreign exchange reserves rose by \$14 billion in the week ended January 16, the highest weekly rise since the week ended March 7, 2025, latest data from the Reserve Bank of India (RBI) showed.

In the previous reporting week, the reserves had increased by \$392 million to \$687 billion.

The total reserves increased to \$701.3 billion on the back of a rise in foreign currency assets which increased by \$9.6 billion to \$560 billion during the reported week. Additionally, gold reserves increased by \$4.6 billion during the same period.

The total forex kitty now stands at the highest level in 13 weeks, since the week ended October 17, 2025. India's foreign reserves had hit a record high of \$705 billion in September 2024.

In its monthly report for January on the state of the economy, central bank officials had noted that India's foreign exchange reserves remain comfortable, providing cover for more than 11 months of goods imports, and around 92 per cent of the external debt outstanding.

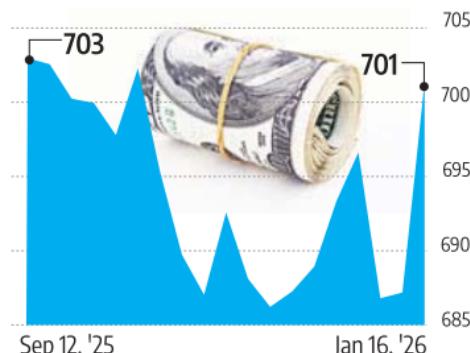
India's foreign exchange reserves have increased by \$6 billion in the financial year 2025-26 so far.

Experts attributed the latest spurt in forex reserves to a \$10 billion buy/sell swap the central bank conducted during the week, coupled with revaluation gains stemming from the rise in gold prices. Gold prices increased by 7.3 per cent to \$4933/OZ

Upward march

Foreign exchange reserves

(\$ bn)



Source: RBI, Bloomberg

Compiled by BS Research Bureau

Top 4 weekly gains in forex reserves

Date	(\$ bn)	Change* (\$ bn)
Aug 27, 2021	633.6	16.7
Mar 07, 2025	654.0	15.3
Nov 11, 2022	544.7	14.7
Jan 16, 2026	701.4	14.2

*Change over previous week

Sources: RBI, Bloomberg

during the reported week.

"It was a mix of buy/sell swap and revaluation gain," said Sameer Narang, Head of Economics Research at ICICI Bank. "We had settlement of around \$10 billion swap on January 16 along with the rise in gold prices," he added.

These gains in reserves coincided with a 0.78 per cent depreciation in the rupee against the US dollar during the reported week. The currency remained under pressure due to maturing short positions in the forwards market.

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“Around \$3 billion forward short positions matured during the week which kept the rupee under pressure. There was no actual dollar buying from RBI. The foreign currency assets rose due to the \$10 billion buy/sell swap,” said a senior executive at a brokerage firm.

RBI’s net short dollar positions stood at \$66.04 billion by the end of November, latest data by the RBI showed. Of this, \$18.8 billion was in one-

month contracts, \$16.8 billion in 1-3 month tenures, \$2.1 billion position is set to mature between three month and a year, and the remaining \$28 billion was in contracts expiring more than a year later.

During the reported week, the Special Drawing Rights (SDRs) were down by \$35 million to \$18.7 billion. India’s reserve position with the IMF was also down by \$73 million to \$4.6 billion during the same period.