

Fx reserves drop to 2-mth low

Foreign exchange reserves fell by \$7.3 billion to a near two-month low of \$595 billion in the week ended August 18, registering the most substantial weekly decline in over six months, according to the latest data from the Reserve Bank of India (RBI).

The decline in the reserves was primarily due to a decrease in foreign currency

assets, which fell by \$6.6 billion to \$528 billion in the previous week. The RBI has been actively intervening in the foreign exchange market through dollar sales to protect the rupee from depreciating further.

“The RBI could have sold around \$2.5 billion to \$3 billion in the previous week, and some of the reduction in for-

foreign currency assets, approximately 67 per cent, results from revaluation adjustments,” said Amit Pabari, Managing Director at CR Forex.

The local currency depreciated by 0.31 per cent in the last week, hitting an all-time low closing level of 83.15 against the dollar on August 17. **ANJALI KUMARI**