

Gold reserves, foreign currency assets boost forex kitty by \$4.4 bn

India's foreign exchange reserves grew by \$4.37 billion to \$693 billion in the week ended December 19, driven by an increase in gold reserves and foreign currency assets, latest data from the Reserve Bank of India (RBI) showed.

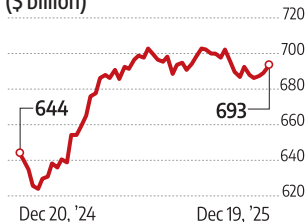
The rise in foreign currency assets is attributed to the RBI's USD/INR buy-sell swap auction of \$5 billion conducted on December 16, with the transaction settled on December 18.

According to the data, gold reserves increased by \$2.6 billion during the reported week, while foreign currency assets rose by \$1.6 billion to \$559 billion. India's forex reserves had hit a record high of \$705 billion in September 2024.

"While the RBI sold dollars heavily during the week, the swap auction infused \$5 billion; hence, the net amount is posi-

The rise

Foreign exchange reserve (\$ billion)



Compiled by BS Research Bureau
Source: RBI, Bloomberg

itive," said a forex dealer at a state-owned bank.

Anil Kumar Bhansali, head of treasury and executive director, Finrex Treasury Advisors LLP, said foreign exchange reserves increased by \$4.368 billion as of December 19, a week in which the RBI sold heavily to bring the dollar down from 91.08 to 89.27.

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