

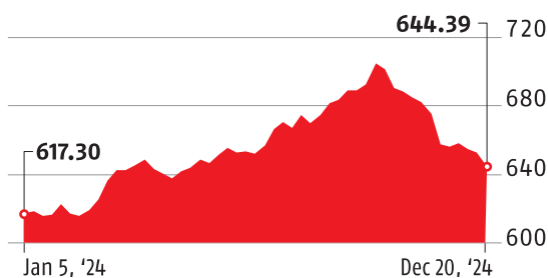
Forex kitty falls \$8.4 bn in a week

Down by \$61 billion since touching all-time high in September-end

LOSING GROUND

Foreign exchange reserves

(\$ billion)



Note: Weekly data

Source: RBI; Compiled by BS Research Bureau

ANJALI KUMARI

Mumbai, 27 December

India's foreign exchange reserves fell by \$8.4 billion to \$644 billion in the week ended December 20, latest data released by the Reserve Bank of India (RBI) showed.

Foreign exchange reserves are down by \$61 billion since they hit an all-time high of \$705 billion in the week ended 27 September 2024. The rupee has come under pressure since September end which prompted the central bank to intervene in the foreign exchange market by dollar sales. During the week ended December 20, the local currency depreciated by 0.25 per cent.

The decline in reserves is due to both intervention and revaluation effects.

Total reserves fell on the back of a decline in foreign currency assets which fell by \$6 billion during the week.

The reserves stood at \$653 billion in the week ended December 13. It had declined by \$1.9 billion during the week.

Gold reserves declined by \$2.3 billion in the previous week, data showed. Additionally, the special drawing rights (SDRs) were down \$112 million to \$17.8 billion.

India's reserve position with the International Monetary Fund (IMF) was also down by \$23 million to \$4.2 billion in the reporting week. The RBI always maintains that it intervenes in the foreign exchange market to curb excess volatility in the exchange rate and that it does not target any particular level of the currency.