

● **FCA BOOST**

# Forex reserves at record high

**FE BUREAU**

Mumbai, May 12

---

**INDIA'S FOREIGN EXCHANGE** reserves zoomed past their previous week's record to touch a new high of \$375.7 billion on May 5, data released by the central bank on Friday showed. On April 28, the reserves were at \$372.7 billion, the highest since September 9, 2016.

Dollar purchases by the Reserve Bank of India to ease volatility in the rupee exchange rate and increase in valuation of its assets has led to the jump in the forex reserves, traders said. The rupee has gained 5.3% against the dollar since the beginning of 2017. On April 26, it appreciated to 63.93 to a dollar, its highest level since August 10, 2015.

Foreign currency assets (FCAs), the largest component of the foreign exchange reserves, grew to \$351.5 billion from \$349.1 billion in the previous week, RBI data showed. Expressed in US dollar terms, FCAs include the effects of appreciation/depreciation of non-US currencies, such as the euro, pound and yen, held in the reserves.

---

**Continued on Page 2**

# Forex reserves at \$375.71 bn

The central bank has always maintained that it does not want to influence the exchange rate for the rupee, but would take steps, including intervention in the spot market, to curb

extreme volatility. According to the latest data available, the RBI bought \$3.5 billion in the spot market on a net basis in March, while outstanding net forward sales stood at \$10.8 billion during the month. The RBI publishes data on the sale and purchase of dollar with a lag of two months.