

Russia boosting gold & dumping dollar from foreign currency reserves



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The Central Bank of Russia reports that foreign exchange reserves saw a significant boost of nearly \$3.3 billion in April as the country pursues a policy of increasing its forex funds and diversifying them away from the US dollar.

The latest growth of 0.7 percent brought Russian international reserve funds to nearly \$492 billion against \$487.8 billion seen at the end of March, the latest data published by the regulator shows.

The state international reserves are highly liquid foreign assets comprising stocks of monetary gold, foreign currencies and Special Drawing Right (SDR) assets, which are at the disposal of the Central Bank of Russia and the government.

According to Elvira Nabiullina, head of the central bank, Russia is diversifying its foreign exchange reserves more than other states because of the economic and political risks that the country is facing.

The central bank has reportedly increased holdings of Chinese yuan and lowered the share of US dollars in its reserves over recent months. The country's key monetary regulator stands ready to use FX swaps and repo operations if it sees a need to calm markets during times of stress, Nabiullina said on Tuesday, speaking at a conference in Zurich.

In March, the Central Bank of Russia added nearly 18.7 tons of gold to the country's vast stockpile of the precious metal. The step reportedly brought Russia's estimated gold holdings to more than 2,170 tons (69,700,000 ounces), which accounts for nearly 18 percent of the country's total foreign exchange reserves.

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