Foreign Currency Assets (FCA)

FCAs are assets that are valued based on a currency other than the country's own currency. FCA is the largest component of the forex reserve. It is expressed in dollar terms. The FCAs include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Special drawing rights (SDR)

- The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves.
- The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. SDRs can be exchanged for these currencies.
- The value of the SDR is calculated from a weighted basket of major currencies, including the U.S. dollar, the euro, Japanese yen, Chinese yuan, and British pound.
- The interest rate on SDRs or (SDRi) is the interest paid to members on their SDR holdings.

Reserve Position in the International Monetary Fund

- A reserve tranche position implies a portion of the required quota of currency each member country must provide to the International Monetary Fund (IMF) that can be utilized for its own purposes.
- The reserve tranche is basically an emergency account that IMF members can access at any time without agreeing to conditions or paying a service fee.