

Rupee weakens

The rupee extended further losses against the dollar in the local currency market on Wednesday, dealers said.

The rupee weakened 0.21 percent against the dollar in the interbank market. It closed at 141.39 to the dollar, compared with 141.09 in the previous session.

In the open market, the rupee reversed Tuesday's gains due to shortage of the greenback.

The local currency lost further grounds in the open market, despite the State Bank of Pakistan's (SBP) instructions to the currency exchange dealers not to charge more than one percent over the interbank market, the dealer added.

The aim of the SBP's directive was to ensure that the forex market volatility be maintained.

"There is a shortage of the US currency in the kerb market.

The dollar is not being available at higher prices in most of the places," a dealer said.

Investors feared that the currency would weaken further, if the State Bank of Pakistan goes for a greater flexible exchange rate mechanism to meet the International Monetary Fund (IMF) condition.

The agreement between Pakistan and the International Monetary Fund on the possible bailout is expected to be reached by the middle of this month.

Our Correspondent