

Rupee weakens

The rupee ended marginally down against the US dollar in the interbank market on Monday due to growing demand of greenback from importers, dealers said. The rupee was trading at 141.39 to the dollar after trading in a 141.30-141.45 band from Friday's close of 141.30.

Dealers said they expect the rupee to face downside pressure during the current week due to foreign debt repayments by the government. "The government has to repay \$1 billion Eurobond maturing later this week," a dealer said. "The debt-related outflows are likely to exert pressure on the currency."

The foreign exchange reserves held by the State Bank of Pakistan (SBP) stood at \$10.492 billion as of March 29 compared with \$8.560 billion in the previous week.

The SBP's official last week linked volatility in the exchange rate to big external debt and import payments. Some dealers, however, see the currency to trade in a range-bound manner as the government and the central bank ruled out any further devaluation in the exchange rate.

In the open market, the rupee posted some gains helped by the reports that the government started crackdown on elements involved in hoarding and speculative trading of dollars. The rupee traded at 142.80 against the dollar in the open market compared with 143 in previous session.

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