

Our Correspondent

Rupee ends higher

The rupee traded stronger against the dollar on Thursday because of lacklustre dollar demand from importers, dealers said.

In the interbank market, the rupee closed at 156.18 per dollar, compared with the previous close of 156.30. Similarly, the local unit gained 10 paisas to close at 156.40 to the dollar in the open market.

Dealers said the currency posted gains due to slowdown in dollar demand from importers and positive sentiments. Central bank will announce its monetary policy on Monday, and the market expects it to maintain the status quo. The State Bank of Pakistan is likely to keep policy rate unchanged at 13.25 percent.

According to a currency trader, the rupee would likely remain range-bound in the coming days, as smooth supply of dollars would support currency stability. NBP's fund manager report issued on Thursday said that the government policy measures have started manifesting the desired results.

“In the face of the challenging economic backdrop, the incumbent government since taking oath has embarked on aggressive stabilisation policies, including market determined exchange rate regime, resulting in 26.4 percent devaluation of rupee against dollar; monetary policy tightening with 575bps hike in the policy rate; levying/expanding of import duties; and a drive to document the economy.”