

Our Correspondent

Rupee gains

KARACHI: The rupee recouped previous losses on Wednesday on the back of a fewer import payments, dealers said.

In the interbank market, the rupee closed at 164.32 against the dollar, compared with the previous closing of 164.89.

“A respite in dollar demand from importers and banks helped the currency recover during the day,” a foreign exchange dealer said.

“We expect the rupee to gain further, trading below 164 level against the dollar in the coming days,” the dealer added.

However, another trader said the improvement in the rupee’s value is a short-lived phenomenon. The local unit is likely to start facing depreciatory pressure ahead of foreign debt repayments. Pakistan is set to make around \$150 million worth of debt repayments to the International Monetary Fund against its extended fund facility this month.

Market participants said the pressure on the rupee during the last four sessions was due to the dollar buying by the central bank from the market to build up reserves. “Rupee-dollar parity has been under pressure for the last few days due to lean period of remittances in the post-Eid period. Also rising CAD (current account deficit) is of concern, which could be putting the rupee under pressure,” said Zeeshan Azhar, an analyst at Foundation Securities.