

Our Correspondent

Rupee weakens further

KARACHI: The rupee fell for a fourth day on Thursday and hit its lowest level in more than two-and-a-half months, weighed down by heavy dollar buying by corporations following tightening of coronavirus restrictions in various localities of the city.

The rupee closed at 166.35 per dollar, its weakest level since March 30, 2020. It had ended at 165.71 on Wednesday in the interbank market. The currency lost 64 paisas against the dollar during the session.

Dealers said the absence of any large dollar supply in the market led to excessive moves in the exchange rate.

“The rupee overall declined by 1.49 against dollar in the ongoing week due to low supply and high dollar demand in the market emerging from upcoming IMF payments, decline in reserves and imports and corporate payments,” said Yaqoob Abubakar, an analyst from Tresmark.

Last week the market was expecting the rupee to remain stable due to delay in debt payment from Paris club, but due to increase in COVID-19 cases the government again imposed lockdown in different cities, which created a sudden rise in demand from corporate buyers, Abubakar added.