

Rupee makes sharp recovery against dollar

KARACHI: After suffering massive losses this week the rupee on Friday made a partial recovery of Rs2.6 to Rs156.7 against the US dollar in the interbank market.

However, no movement was recorded in the open market as dollar held steady at Rs158.5.

Starting from Monday, the rupee started its slide from the opening value of Rs154.25 to reach Rs157.9, losing Rs3.65 in a single day. The trend continued, as the greenback rose to Rs159.3 before losing some ground end of the week.

Currency dealers had regarded the recent devaluation a temporary phenomenon caused by the increase in demand for dollars on account of foreign selling and outflows from the treasury bills.

Latest data published by the State Bank of Pakistan on Wednesday showed that foreigners have unloaded \$606 million net in March, which could

“There was no buying in the second half as foreigners didn’t book any forward rates, which led banks to sell their holdings, bring the dollar down,” said Forex Association of Pakistan President Malik Bostan.

Answering if the recent outflows from the government instruments could put long-term pressure on the rupee, he said “there are still regular inflows as exports and remittances are up while the plunge in oil prices would reduce the import bill.”

“Moreover, the slowdown in imports from China due to the coronavirus is expected to further bring down the bill,” Bostan continued.

Exchange Companies of Pakistan former general secretary Zafar Paracha also attributed Friday’s movement to the lack of demand for greenback.