

Rupee weakens

KARACHI: The rupee witnessed depreciation against the dollar for the third consecutive day on Wednesday, owing to increasing demand and lower inflows of the US currency, dealers said.

The rupee fell 50 paisas to close at Rs160.95 against the greenback from the previous day's closing of Rs160.45 in the interbank foreign exchange market.

The local currency fell over Re1 against the dollar during the last three trading sessions.

The dealers said the local unit remained under pressure during the day due to higher demand for import payments. They said the government announced ease in the lockdown from May 10, 2020, which helped in activation of economic activities.

The importers were seen active in purchasing dollars for letter of credit (LC), they added

The country was under lockdown since March 23, 2020, which partially halted the trade and commercial activities and reduced demand significantly.

The lockdown resulted in 35 percent decline in imports to \$3.08 billion in April 2020 as compared to \$4.71 billion in the same month of the last year.

The dealers said the inflows of dollars in the shape of export receipts, remittances and foreign investments also resulted in depreciation of the rupee.

The exports registered decline of 54 percent to \$957 million in April 2020, compared with \$2.089 billion in the same month of the last year.

Overseas Pakistani workers sent home \$1.790 billion in April, compared with \$1.894 billion in the previous month.

Pakistan received \$18.781 billion in remittances in July-April FY2020, compared with \$17.801 billion in the same period of the last year.