

Rupee inches up

KARACHI: The rupee edged higher in the interbank market on Wednesday, amid the lack of import payments, dealers said.

The rupee closed at 165.60/dollar, compared with the Tuesday's closing of 165.62.

In the open market, the local unit gained 50 paisas to end at 166.50 against the dollar.

Dealers said the domestic currency posted slight gains due to subdued dollar demand from importers.

"There were less import payments. Dollar selling by some exporters also supported the local unit," a foreign exchange dealer said.

Record remittances and reopening of the economy have given stability to the exchange rate in the recent sessions, dealers said.

Moreover, an approval given by China to utilise its \$1 billion deposited in the State Bank of Pakistan to finance the budget deficit also helped the rupee stabilise against the greenback.

Dealers expect the rupee to trade in the range-bound manner with a slight depreciation in the coming sessions.

"The demand for the dollars is likely to increase from importers, as business activity resumed after the monsoon rains in the city," another dealer said.

"We might see some buying pressure from importers. The inflows [supplies] may not be enough to cater to the demand.

The rupee is expected to trade in the band of 165.60 and 166 in the coming days, dealers said.