

Our Correspondent

Rupee weakens

KARACHI: The rupee ended lower on Friday, as increased dollar demand from importers for payments weighed on the local unit, dealers said.

The rupee closed at 160.33/dollar, compared with the Thursday's closing of 160.18 in the interbank market.

In the open market, the rupee ended at 160.40 against the dollar. The rupee settled at 160.30 in the previous session.

"There was a sudden demand from importers and the corporate sector that put pressure on the rupee," a foreign exchange trader with a commercial bank said.

The decline in the central bank's foreign exchange reserves hurt trader sentiment.

The forex reserves held by the State Bank of Pakistan decreased \$12 million to \$13.400 billion as of January 8.

The rupee was largely stable with marginal appreciation in the last four sessions. The domestic currency was supported by muted demand, strong inflows from exports and remittances and positive sentiment about the country's economic outlook.

"Though, the rupee didn't breach the 160-160.50 range forecasted for this week, we were expecting it would close stronger at the weekend," another trader said.

"We can expect the rupee to trade in the current ranges next week, but the demand for the rupee could catch up further if there are any payments in the market," he added. The rupee is likely to hover in the band of 160.25 to 160.75 in the coming week, they said.