

Dollar sells at higher rates in open market

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KARACHI: Foreign currency trade appears equally affected with the election fever running high as the dollar is being sold Rs4-5 higher in the open market than the reported rates by the exchange companies.

The A category exchange companies reported that the dollar was traded as high as Rs130.80 on Monday; the buying rate was Rs130.30.

However, it was not the true picture of the market. Most of the exchange companies were not ready to sell dollars and when they were, the price ranged around Rs132-135 per dollar.

Currency dealers said that about 75 per cent were buyers while only 25pc were sellers, disturbing the balance of inflows and outflows. They were optimistic that the exchange rate fluctuations would settle down after elections but there is no hope that dollar would return to its original position after losing 20pc in the last seven months.

Reports issued by the research houses suggest that Pakistan will have to approach the International Monetary Fund on an urgent basis to get control over the increasing current account deficit and falling foreign exchange reserves — lower than the average import bill of two months. The 20pc rise in the dollar has made Hajj costlier for Pakistanis. The State Bank of Pakistan or commercial banks do not provide dollars as people embarking on the pilgrimage are bound to buy the greenback and Saudi Riyals from the open market.

The Saudi Riyals have also caught fire in the open market as the price has gone up to Rs34-34.50 from less than Rs30 a couple of months earlier. But this too is the rate reported by the associations of exchange companies; the actual rate is higher due to shortage of Riyals in the market.

The interbank market remained stable as the greenback was traded in the range of Rs128.50-128.80.

Published in Dawn, July 24th, 2018