

Turkish lira firmest in three months on Iran sanctions waiver expectations

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The Turkish lira firmed 1 percent against the dollar to its strongest level in around three months on Friday, helped by investor optimism that Turkey will receive a waiver on U.S. sanctions targeting Iranian oil.

The lira, which has recovered from a slump to record lows in August, strengthened to 5.4600 against the dollar by 0850 GMT from Thursday's close of 5.51.

It is currently down 30 percent against the U.S. currency this year, having been hit by concerns about President Tayyip Erdogan's influence over monetary policy and a diplomatic spat between Ankara and Washington.

The U.S. government has agreed to let eight countries, including close allies South Korea and Japan, as well as India, keep buying Iranian oil after it reimposes sanctions on Tehran from next week, Bloomberg reported on Friday, citing a U.S. official.

Turkey has not received written notification regarding any waiver on buying Iranian oil but it has heard rumours on the issue, Turkish Energy Minister Fatih Donmez said in Ankara when asked about the issue.

"The statement by the energy minister created the perception that Turkey might be one of the eight countries that is included in the Iran sanctions waiver," said one banker.

Turkey, among the major importers of Iranian crude, has resisted calls by Washington to end their oil purchases as winter looms in a country largely dependent on foreign resources for its energy needs.

Washington will reintroduce the sanctions targeting Iranian oil on Monday and U.S. officials have said it does not want to harm friends and allies dependent on the oil.

The Borsa Istanbul BIST100 index was up 1 percent.