Treasury Weekly

BRAC BANK
আস্থা অবিচল

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USDBDT Exchange Rate

Bangladesh's external account looks stable with gross foreign-exchange reserves standing above US $34 billion despite deferred import payment through the Asian Clearing Unit (ACU). It is deemed that current reserve levels are sufficient meeting more than five months' import-payment obligations with its existing reserves. The purchasing of the US dollar from the commercial banks by the central bank has also helped push up the forex reserves recently. The central bank of Bangladesh has so far bought $5.75 billion from banks directly since July 13 last under the prevailing free-floating exchange-rate arrangement, the BB data show.

The country's remittance inflow registered a strong year-on-year growth of 41.7 percent, reaching $1,280 million in the first 11 days of May, according to the latest data released by Bangladesh Bank (BB). Data also showed that expatriate Bangladeshis sent a total of $30,613 million in remittances during the period from July to May 11 of the current fiscal year. In comparison, the inflow was $25,441 million during the corresponding period of the previous fiscal year. It is expected that gross forex reserves may cross $36 billion by the end of June if the government secures minimum $2.0 billion in loans from overseas sources.

Outlook: BDT is expected to depreciate gradually against USD keeping in mind global market situation and currency competitiveness.

Global Currencies

Currency Pair	Weekly Change	Current Level	Expected Weekly Trend
EURUSD	-1.36%	1.1626	Bearish
GBPUSD	-2.27%	1.3325	Bearish
AUDUSD	-1.32%	0.7151	Bearish
USDJPY	1.34%	158.77	Bullish
USDCNY	0.26%	6.8139	Neutral

Market Overview:

- EUR decline extends to over one-month lows at 1.1620 amid broad-based USD strength. Concerns about the stalled US-Iran conflict and rising bets of Fed rate hikes are boosting USD.
- GBP falls to near 1.3300 due to UK political uncertainty and rising gilt yields. UK PM Starmer faces a leadership challenge after a major setback in local elections.
- AUD plunges to near 0.7160 as surging US bond yields have strengthened the USD. Traders have priced out the possibility of an interest rate cut by the Fed this year.
- USD/JPY extends its advance to near 158.60 due to USD's continued outperformance. Positive outcomes of the Trump-Xi meeting have strengthened the USD. The Fed is unlikely to cut interest rates this year.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4742.34	-8.95%	10.00%	0.02%
Repo	3970.73	9.25%	9.83%	-0.10%
Term	53.61	-63.60%	11.07%	0.63%

Excess reserve (Excess CRR: un-invested cash) in banking system decreased to BDT 71.72 bio by end of oct'25 from BDT 97.35 bio as of end of sep'25. Total liquid asset (excess of min required asset) including excess investment in government treasury securities increased to BDT 6.26 trio at the end of Oct'25 from 6.19 trio at end of Sep'25.

Interest Rate

Government net borrowing from banking system (including BB) stood at BDT 8,830 Bn during Jul-Feb'FY26. Tax revenue collection during Jul-Mar'FY26 was BDT 2,878.6 Bn, showing 11.15% Y-o-Y growth. Inflation increased to 9.04% at the end of Apr'26. M-o-M inflation increased by 33 basis points, mostly driven by non-food inflation of 9.57% due to oil price hike. Concerns over urea fertilizer shortage driven by gas shortage and import disruptions could create upward pressure on food inflation in the coming months.

On monetary side, Bangladesh witnessed a sharp expansion in high-powered money, with reserve money growing by 13.35% Y-o-Y in Feb'26 and broad money growing at 10.52% Y-o-Y in Feb'26. The expansion was largely attributed to the central bank injecting money to meet government expenditure needs. Bangladesh Bank's purchase of USD 145 Mn from the market in May'26 injects additional taka liquidity into the banking system, which may further support money supply growth. Private Sector credit growth dropped further to 6.03% in Feb'25 at historical lowest level. However, Bangladesh Bank's proposed BDT 200 Bn low-cost factory revival fund, together with the newly announced BDT 10 Bn fund for environmentally friendly industrial investment are expected to increase credit creation and money supply as well.

Outlook: Although increased government borrowing ahead of the fiscal year-end may exert temporary upward pressure on interest rate, ongoing liquidity injections and improving liquidity expectations in the banking system are likely to limit the scope for further rate hikes in the coming months.

Capital Market

- Trading at the Dhaka Stock Exchange (DSE) has surpassed the Tk 10 billion mark for the first time in three weeks, as investor participation surged after the finance minister hinted at major market reforms. The engineering, pharmaceuticals and chemicals, textiles, insurance, and banking sectors dominated the trade volume.
- BRAC Bank reported that its consolidated net profit jumped by 44% to reach Tk695.68 in the January-March quarter of 2026. Net profit was driven by higher interest income as well as investment income. Moreover, robust performances from the subsidiaries companies also helped to post such profit growth during the quarter compared to the previous year.

Market Synopsis

Reference Rate	Overnight	1M	3M	6M	12M
USD SOFR	3.55000	3.60264	3.64192	3.69405	3.83097
ESTR/EURIBOR	1.93100	1.94900	2.23200	2.56200	2.81500
GBP SONIA	3.72990	3.73890	3.83730	4.00620	4.28980

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	10.19%	10.17%
182 Days	10.50%	10.49%
364 Days	10.67%	10.68%
2 Years	10.72%	10.23%
5 Years	10.78%	10.75%
10 Years	10.91%	10.98%
15 Years	11.15%	10.49%
20 Years	11.23%	10.60%

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	109.26	7.87%
Gold (OZS)	4,538.02	-3.74%
ICE-US Cotton (LBS)	80.61	-4.86%
Soybean (BSH)	1,177.00	-1.44%
Wheat (BSH)	635.75	4.65%
Sugar (LBS)	14.80	0.75%
Palm Oil (Tonne)	1,119.84	-2.61%
Steel (Tonne)	1,079.00	0.09%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	3.48%	10.90%	1.20%	9.04%
GDP Annual Growth Rate	7.80%	3.90%	5.00%	3.97%
Policy Repo Rate	5.25%	11.50%	3.00%	10.00%
Government Bond 10Y	7.12%	13.13%	1.74%	10.91%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	3.80%	3.30%	3.00%	1.50%
GDP Growth Rate	2.70%	0.60%	0.10%	0.50%
Unemployment Rate	4.30%	4.90%	6.20%	2.70%
Base Rate	3.75%	3.75%	2.15%	0.75%
Government Bond 10Y	4.61%	5.15%	3.42%*	2.78%

*10-Year Eurozone Central Government Bond Par Yield Curve

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