

Currency Outlook

USDBDT Exchange Rate

Bangladesh's RMG exports to non-traditional markets recorded sluggish growth in the first quarter of the current fiscal year, reflecting persistent global demand weakness and economic uncertainty across key economies. Official data show that exports to new destinations - including Japan, Australia, India, Korea, China, Mexico, and Turkey - rose by only 0.77% year-on-year to USD 1.65 Bn during July-September quarter (Q1) of FY2025-26. However, the country saw significant rise in import orders, with a leap in September, in what is seen as an early indication of the country's economic rebound after months of recession. The opening of fresh LCs, increased by over 13% to USD 6.22 Bn in September from the August count of USD 5.38 Bn. Foreign investment in Bangladesh rose by 11% year-on-year to USD 303 Mn in the April-June quarter of the 2024-25 fiscal year, powered by a sharp spike in reinvested earnings by existing investors as the flow of equity capital dipped. Reinvested earnings surged by 600% year-on-year to USD 168 Mn in the fourth quarter of the previous fiscal year. The country's current account balance turned positive in the first two months of the 2025-26 fiscal year, driven by strong remittance inflows despite a widening trade deficit. The current account posted a surplus of USD 483mn in July-August, up sharply from USD 191mn in the same period of the previous fiscal year. The overall balance of payments stood at a deficit of USD 53mn in the first two months of FY26, a sharp improvement from USD 1.43bn in the same period last year. The sustained remittance inflow has also contributed to a gradual rise in foreign exchange reserves.

Outlook: Considering market dynamic driven USD auction in interbank market, exchange rate is expected to remain stable in the coming days.

Global Currencies

EURUSD 0.03% weekly change 

EUR/USD recovery from recent 1.1543 double low stalls 1.1645 Wednesday. Related hedging flows will add to related support/draw any setback. Sell orders touted 1.1630-50, with 100-dma adding tech resistance 1.1643

GBPUSD -0.03% weekly change 

Cable climbs to 1.3373 as shares rebound. AUDUSD. 1.3373 is highest level since October 9. Resistance levels include 1.3400 and 1.3417. 1.3249 was 10-week low Tuesday, pre-Powell, after GBP fell on UK jobs data

AUDUSD 0.73% weekly change 

AUD break above 0.6530-35 zone would invigorate bulls, USD the key influence. RBA's Hunt sees softer Q3 consumer momentum, ongoing global trade concerns. Range Asia 0.6482-0.65144, support 0.6440 0.6415, resistance 0.6535 0.6630

USDJPY 0.17% weekly change 

USD/JPY continues to fall away from last week's 153.23 multi-month peak. USD/JPY has dropped from 151.86 to 150.90, on Wednesday. EUR/JPY's correlation with USD/JPY high, 30/60-day logs are well above +0.50

USDCNY -0.11% weekly change 

USD/CNY -0.15% in Asia after gap- down open @ 7.1270 from Tue 7.1380 close. PBOC's stronger-than-expected midpoint guidance continues to weigh on USD. China's annual consumer, producer prices remain negative in September. Resistance 7.1500-10, strong support 7.1225-35; Wed range 7.1252-7.1293

Money

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	5542.18	18.94%	9.75%	-0.19%
Repo	2587.94	-15.27%	9.73%	-0.22%
Term	13.67	-77.49%	10.87%	-0.65%

Excess reserve (Excess CRR: un-invested cash) in banking system increased to BDT 128.97 bio by end of Jun25 from BDT 67.19 bio as of end of May'25. Total liquid asset (excess of min required asset) including excess investment in government treasury securities increased to BDT 5.86 trio at the end of Jun'25 from 5.27 trio at end of May'25.

Interest Rate

Government borrowing from the banking system (including BB) stood BDT 25.67 bln on Jul'FY26, whereas net borrowing from scheduled bank was BDT 13.34 bln. Government borrowing from the non-banking system stood BDT 59.58 bln Jul'FY26. Net sales of savings certificate was BDT 15.72 bln during Jul-Aug FY2026, with a 62% Y-o-Y degrowth. Tax revenue collection on Jul'25 was BDT 272.49 bln, showing 24.3% growth YOY. Inflation picked up slightly to 8.36 % at the end of Sep, 25 [8.29% on Aug'25] with food inflation of 7.64% and Non-food inflation eased to 8.98%. Month-to-month inflation slowed down 1.05% from 2.36% M-o-M growth in Aug'25, indicative pace-off. BB Governor reiterated his expectation to inflation falling below 6.5% in recent future. Bangladesh September Purchasing Manager Index (PMI) recorded a bit expansion to 59.1, depicting still cautionary approach in services, manufacturing and agricultural sector. Government unveiled budget for FY2025-26, where targeted borrowing from banking system is BDT 1.04 trln against revised target of BDT 990.0 bln for FY2024-25. ADP implementation drops to 2.39% in Jul-Aug of FY26. In July and August, a total of Tk 57.15 billion has been spent from the development budget, compared with Tk 71.43 billion during the same period in FY2025, when implementation stood at 2.57 percent. Reserve money growth was 1.2% and Broad Money growth was 7.78% on Aug, FY26. Private sector credit growth dropped to 6.35% on the same period. Purchase of USD by Central Bank is injecting liquidity into the banking system. Driven by improved liquidity and lower inflation expectations, all the GSEC yield showed major downward fall in recent times.

Outlook: We expect interest rates to become stable at current levels for time being, with further downward movement after monetary policy easing, once inflation is within targeted range.

Capital Market

- Rising inflation in September and downward GDP growth forecast by the World Bank for this fiscal year during trading hours is weighing on investor sentiment at DSE. Institutional and high-net worth investors are opting for a 'go-slow' strategy amid mixed earnings expectations in the June-closing companies
- In a bid to streamline the resolution of disputes in the capital market and reduce the volume of investor complaints against stock brokers and listed companies, BSEC has approved two dispute settlement regulations for the country's two stock exchanges.
- The government has decided to enlist a new Shariah-based bank formed from the merger of five Shariah-based banks, on the country's stock exchange, according to Bangladesh Bank officials.

Market Synopsis

Treasury Bill & Bond Yields

Latest Issue Date	Tenor	Latest Yield	Previous Yield
13-Oct-25	91 Days	9.51%	9.69%
13-Oct-25	182 Days	9.71%	9.89%
13-Oct-25	364 Days	9.60%	9.70%
08-Oct-25	2 Years	9.46%	10.17%
15-Oct-25	5 Years	9.35%	10.03%
17-Sep-25	10 Years	9.90%	10.26%
24-Sep-25	15 Years	9.67%	10.28%
24-Sep-25	20 Years	9.70%	10.30%

Capital Market

Index	Value
DSEX	5,227.75
FTSE 100	9,407.01
Nikkei 225	47,672.67
Dow Jones IA	46,270.46
S&P 500	6,644.31

USD SOFR

Tenor	SOFR
Overnight	4.15000
1M	4.03184
3M	3.89363
6M	3.75141
1Y	3.54735
Source	Refinitiv, CME Term SOFR

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	62.73	-2.79%
Gold (OZS)	4,017.34	3.36%
ICE-US Cotton (LBS)	63.84	1.56%
Soybean (BSH)	1,006.75	-1.11%
Wheat (BSH)	498.50	-3.25%
Sugar (LBS)	16.10	-2.25%
Palm Oil (Tonne)	1,076.27	1.91%
Steel (Tonne)	814.00	1.24%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	1.54%	5.60%	-0.03%	8.36%
GDP Annual Growth Rate	7.80%	2.40%	5.20%	3.97%
Policy Repo Rate	5.50%	11.00%	3.00%	10.00%
Government Bond 10Y	6.52%	12.01%	1.75%	9.90%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	2.90%	3.80%	2.20%	2.70%
GDP Growth Rate	3.80%	0.30%	0.10%	0.50%
Unemployment Rate	4.30%	4.80%	6.30%	2.60%
Base Rate	4.25%	4.00%	2.15%	0.50%
Government Bond 10Y	4.02%	4.54%	3.14%*	1.66%

*10-Year Eurozone Central Government Bond Par Yield Curve

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