Treasury Weekly

BRAC BANK

আস্থা অবিচল

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USDBDT Exchange Rate

The country exported goods worth $4.2 billion in June, the last month of the fiscal year, marking a 26% jump from $3.33 billion a year earlier (EPB). Despite the strong finish, total export earnings for FY26 stood at $48 billion, a marginal decline of 0.58% from FY25. The drop in exports came against the backdrop of a challenging global environment characterised by geopolitical tensions, persistent inflation, supply chain disruptions, energy market volatility and subdued consumer demand in major export destinations. The RMG sector, which accounts for more than four-fifths of Bangladesh's export earnings, generated $38.70 billion in FY26, down 1.64% from the previous fiscal year. According to the latest data with Bangladesh Bank (BB), with June's provisional count of $2.80 billion the total remittance netting in FY26 came to $35.56 billion.

Bangladesh has secured about $3.11 billion in emergency budget support from four development partners, including the World Bank and the Asian Development Bank, this month to cushion the economic fallout from the US and Israel's war on Iran. Bangladesh has launched high-level negotiations to secure a USD 3.30 Bn trade financing package from the International Islamic Trade Finance Corporation (ITFC) to finance imports of fuel, liquefied natural gas (LNG) and fertiliser in fiscal year 2026-27.

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	0.40%	1.1437	Bullish
GBPUSD	1.09%	1.3352	Bullish
AUDUSD	0.54%	0.6941	Bullish
USDJPY	-0.23%	161.38	Neutral
USDCNY	-0.29%	6.7851	Neutral

Market Overview:

- EUR/USD extends on Friday but remains capped below 1.1475. Soft US employment figures have cooled Fed tightening hopes and are weighing on the US Dollar. The Euro is likely to meet significant resistance ahead of 1.1500.
- GBP/USD gains ground to near 1.3360 in Friday's early European session. The major pair remains capped below the key 100-day MA. The first upside barrier emerges at 1.3410; the initial support level is seen at 1.3300.
- USD/JPY drifts lower for the second day, though it finds support near the 200-SMA on H4. Any meaningful recovery attempts are more likely to be sold into and remain capped.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	2506.24	-17.50%	9.64%	-0.18%
Repo	2478.13	-18.50%	10.20%	0.29%
Term	81.86	4129.29%	10.24%	-0.58%

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 1,044.1 Bn during Jul-Apr'FY26. Tax revenue collection during Jul-May'FY26 was BDT 3,606.4 Bn, showing 10% Y-o-Y growth. Inflation increased to 9.42% at the end of May'26. This inflation increased by 38 basis points over the previous month, mostly driven by food inflation of 9.06% in May'26 that is up by 67 basis points over the previous month. To battle persistent high inflation, Bangladesh Bank will maintain its policy rate at 10% for the first half of FY2026-27.

Moreover, Bangladesh witnessed reserve money expansion by 14.39% Y-o-Y in Apr'26 and broad money growing at 11.45% Y-o-Y in Apr'26. Total liquid assets of scheduled banks increased by 23.2% Y-o-Y and registered at BDT 7,029.4 Bn at the end of Apr'26. Private Sector credit growth was as low as 4.75% in Apr'25 at historical lowest level. Consequently, Bangladesh Bank has imposed a 4% cap on the spread between lending and deposit rates to lower corporate borrowing costs. However, it may unintendedly slow down private credit growth till the treasury rates are higher than policy rate.

Outlook: Though persistent inflation and the policy rate remaining at 10% are likely to limit any significant decline, treasury rates are expected to lower slightly over the next few months, supported by expanding reserve money and weak private sector credit demand. The proposed 4% lending-deposit spread cap may encourage banks to increase investments in govt. securities, adding further downward pressure on yields.

Capital Market

- DSE has drafted an amendment to its listing regulations to allow direct listing of private and multinational companies through a watered-down procedure. The board of the premier bourse has approved the draft and sent it to the BSEC for approval.
- BSEC plans to abolish the requirement for listed companies to submit quarterly financial statements and instead introduce mandatory half-yearly financial reporting as part of broader reforms to align Bangladesh's capital market with international standards.
- BSEC has directed stockbrokers and merchant bankers to open two separate beneficiary owner accounts for the auction and settlement of government securities on behalf of their clients.

Market Synopsis

Reference Rate	Overnight	1M	3M	6M	12M
USD SOFR	3.66000	3.66738	3.75202	3.87192	4.02612
ESTR/EURIBOR	2.18300	2.20500	2.32100	2.55400	2.70900
GBP SONIA	3.73050	3.73930	3.76780	3.83510	3.95950

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	9.44%	9.69%
182 Days	9.71%	9.89%
364 Days	9.74%	9.92%
2 Years	10.43%	10.72%
5 Years	10.35%	10.78%
10 Years	10.24%	10.91%
15 Years	10.30%	11.01%
20 Years	10.34%	11.08%

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	72.12	0.18%
Gold (OZS)	4,174.90	2.12%
ICE-US Cotton (LBS)	72.57	1.27%
Soybean (BSH)	1,131.75	0.49%
Wheat (BSH)	590.50	2.12%
Sugar (LBS)	14.85	6.22%
Palm Oil (Tonne)	1,101.55	-1.49%
Steel (Tonne)	1,156.00	0.00%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	3.93%	11.10%	1.20%	9.42%
GDP Annual Growth Rate	7.80%	4.00%	5.00%	3.49%
Policy Repo Rate	5.25%	11.50%	3.00%	10.00%
Government Bond 10Y	6.72%	11.72%	1.74%	10.24%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	4.20%	2.80%	2.80%	1.50%
GDP Growth Rate	2.10%	0.60%	-0.20%	0.50%
Unemployment Rate	4.20%	4.90%	6.20%	2.50%
Base Rate	3.75%	3.75%	2.40%	1.00%
Government Bond 10Y	4.49%	4.79%	3.32%*	2.78%

**10-Year Eurozone Central Government Bond Par Yield Curve*

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