Treasury Weekly

BRAC BANK
আস্থা অবিচল

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USDBDT Exchange Rate

Bangladesh's current- account deficit (CAD) narrowed sharply in the first 11 months of the fiscal year 2025-26, helped by record remittance inflows and slower import growth. The deficit narrowed to $301 million during the July-May period of FY26 from $1.23 billion in the first 10 months. Expatriate Bangladeshis sent home $32.8 billion during the July -May period, up nearly 12% from the July-April period of FY26 and more than 19% higher than a year earlier. Imports rose 5.9% year on year to $67.7 billion in the said period, reflecting stronger domestic demand but remaining below the pace of remittance growth. The country's financial account staged a major recovery to register a surplus of $4.16 billion during the first 11 months of the fiscal 2025-26, rebounding from a deficit of $214 million in the same period of the previous fiscal year. The balance of payments data, released by the Bangladesh Bank yesterday (8 July), indicates that a sharp turnaround in trade credit was the primary driver behind this financial account surplus. However, a stronger financial account also implies higher debt obligations in the future because loans received today increase future debt servicing liabilities.

FX reserves stand at USD 36.66 billion (USD 31.97 BPM6) as on 16 Jul 2026. Growing pressure of government's LC opening for imports to feed an expansionary economy may drive BDT depreciation in coming days .

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	0.24%	1.1439	Bullish
GBPUSD	0.48%	1.3455	Bullish
AUDUSD	0.45%	0.6983	Bullish
USDJPY	0.43%	162.39	Bullish
USDCNY	-0.05%	6.7782	Neutral

Market Overview:

- EUR/USD remains on the defensive for the second straight day amid a modest USD uptick. Escalating US-Iran tensions fuel inflation fears and lift Fed hike bets, supporting the USD. The mixed technical setup warrants some caution before positioning for a firm direction.
- The British Pound faces intense selling pressure amid the UK leadership change. Shabana Mahmood will likely become the new UK Finance Minister. Investors await the UK employment and CPI data, which will be released next week.
- USD/JPY may find the primary barrier at the 40-year high of 162.84. The 14-day Relative Strength Index is at 59.8, hinting at sustained, measured upside pressure.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4269.89	8.26%	9.60%	0.04%
Repo	2478.13	-18.50%	10.20%	0.29%
Term	63.87	-21.97%	10.23%	0.00%

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 decreased to 9.16% at the end of Jun'26. This inflation reduced by 26 basis points over the previous month, mostly driven by food inflation of 8.60% in Jun'26 that is down by 46 basis points over the previous month. Inflation may cool down more in coming days as the govt. is planning to adjust oil prices downward that may lead to lower non-food inflation.

Moreover, Bangladesh witnessed reserve money expansion by 21.74% Y-o-Y in May'26 and broad money growing at 12.45% Y-o-Y in May'26. However, Bangladesh Bank absorbed a net BDT 1,242.3 Mn from the banking system via Open Market Operations on July 15, 2026, balancing BDT 6,286.1 Mn in total absorption against BDT 2,185.1 Mn in targeted liquidity injections. This net withdrawal signals a tightening bias to manage short-term liquidity, suggesting short upward pressure on call money rates and treasury rates as well. Private Sector credit growth started turning around to 4.98% in May'25, that is 23 basis points up from Apr'26.

Outlook: Due to the central bank's recent tightening measure, treasury rates may stabilize for a short period and then decrease slightly if inflation gets cool, fuel prices get cut, and money supply growth continues to offset short-term liquidity pressures.

Capital Market

- Renowned multinational and large corporations will be brought to the stock market through direct listing, eliminating unnecessary delays for well-established firms, Bangladesh Securities and Exchange Commission (BSEC) chairman said yesterday. Masud Khan announced the plan at a shadow parliament organized by Debate for Democracy on regulatory oversight of the capital market at the Bangladesh Film Development Corporation in Dhaka.
- The Bangladesh Securities and Exchange Commission (BSEC) has proposed sweeping amendments to its margin loan regulations, easing several key provisions to improve liquidity in the capital market while strengthening the overall risk management framework. However, the caution is that easier access to leverage could encourage speculative trading and increase market risk if not accompanied by effective regulatory oversight.

Market Synopsis

Reference Rate	Overnight	1M	3M	6M	12M
USD SOFR	3.62000	3.66774	3.73373	3.84079	3.99175
ESTR/EURIBOR	2.18500	2.21000	2.48300	2.68800	2.87300
GBP SONIA	3.73080	3.75040	3.81040	3.93940	4.13900

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	9.17%	9.33%
182 Days	9.39%	9.57%
364 Days	9.57%	9.63%
2 Years	9.70%	10.43%
5 Years	9.78%	10.35%
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)	88.10	15.91%
Gold (OZS)	4,016.69	-2.51%
ICE-US Cotton (LBS)	77.07	-3.57%
Soybean (BSH)	1,204.50	0.67%
Wheat (BSH)	682.75	8.03%
Sugar (LBS)	14.83	-0.34%
Palm Oil (Tonne)	1,123.96	1.29%
Steel (Tonne)	1,154.00	-0.35%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	4.38%	11.10%	1.00%	9.16%
GDP Annual Growth Rate	7.80%	4.00%	4.30%	3.49%
Policy Repo Rate	5.25%	11.50%	3.00%	10.00%
Government Bond 10Y	6.82%	11.95%	1.74%	10.91%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	3.50%	2.80%	2.80%	1.50%
GDP Growth Rate	2.10%	0.60%	0.00%	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	4.57%	4.98%	3.32%*	2.71%

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

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