Treasury Weekly

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USDBDT Exchange Rate

A double-digit drop in capital machinery imports and falling export revenues have driven Bangladesh's trade deficit up by nearly 24% to $23.98 billion in FY 2025-26. This deficit is largely being cushioned by historic $35.5 billion remittance surge. Slowdown in industrial raw material and capital machinery imports points to sluggish domestic manufacturing; on the other, export earnings have failed to meet expectations. Consequently, the country's trade imbalance has worsened, driving the foreign trade deficit up by nearly 24%. Economists warn that if export growth remains sluggish, maintaining this import burden could severely strain the external sector over the long term.

Bangladesh received US$2.524 billion in remittances from expatriate workers during the first 27 days of July, the opening month of the 2026-27 fiscal year, registering a 20.2% year-on-year growth. Bangladesh's foreign exchange reserves stood at US$36.46 billion (gross). The International Monetary Fund and other development partners have repeatedly recommended that Bangladesh maintain a market-based exchange rate regime. Economists said Bangladesh would need to comply with IMF conditions to secure a new programme. The central bank has also suspended dollar purchases from banks for the past one and a half months amid pressure on the taka to depreciate.

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

Global Currencies

Currency Pair	Weekly Change	Current Level	Expected Weekly Trend
EURUSD	-0.58%	1.1368	Bearish
GBPUSD	-0.95%	1.3324	Bearish
AUDUSD	0.16%	0.6981	Neutral
USDJPY	0.86%	163.85	Bullish
USDCNY	-0.02%	6.7722	Neutral

Market Overview:

- EUR/USD nears three-week lows as the US Dollar strengthens. The pair trades below the 21-day, 50-day and 100-day SMAs, keeping sellers in control. Immediate resistance is seen at 1.1415, while 1.1350 remains key support.
- GBP/USD edges higher to near 1.3387 amid a slight weakness in the US Dollar. UK headline inflation cooled down to 2.6% YoY in June. Investors await the UK Retail Sales and the flash private sector PMI data.
- The Australian Dollar edges up to around 0.6976 against the US Dollar; the outlook remains uncertain. Surging oil prices have revived hawkish Fed interest rate prospects. Preliminary Australian S&P Global PMI arrives higher at 52.6 in July.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4045.64	-5.25%	9.76%	0.16%
Repo	2478.13	-18.50%	10.20%	0.29%
Term	114.50	79.27%	10.04%	-0.19%

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 941.6 Bn during Jul-May'FY26. Tax revenue collection during Jul-May'FY26 was BDT 3,606.4 Bn, showing 10% Y-o-Y growth. However, a 10% US tariff and a 24% trade deficit increase in FY25-26 are slowing Bangladesh's industrial growth and straining government revenues. 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.

Total excess liquid assets of scheduled banks decreased by 13.1% M-o-M and registered at BDT 3,278.8 Bn at the end of May'26. Additionally, 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 crore 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 recent central bank tightening, treasury rates will likely stay elevated or flat in the near term. This trend should persist until inflation cools, fuel costs drop, and steady money supply growth eases short-term liquidity pressures.

Capital Market

- Driven by a recovering stock market and rising share prices, 34,877 new beneficiary owner (BO) accounts were opened in the first half of 2026. This sharp increase pushed total active accounts from 1,640,375 in late December to 1,675,252 by the end of June, signaling a strong return of retail investor confidence.
- The BSEC has proposed a draft amendment to the Margin Rules, 2025, aimed at boosting stock market liquidity. The changes would lift the margin financing cap for market intermediaries from three times to five times their net worth, while lowering the investor eligibility threshold from BDT 5 lac to BDT 3 lac. Public opinions on the proposal must be submitted by August 3.

Market Synopsis

Reference Rate	Overnight	1M	3M	6M	12M
USD SOFR	3.64000	3.73983	3.83284	3.97084	4.14685
ESTR/EURIBOR	2.18600	2.19800	2.48800	2.72300	2.99300
GBP SONIA	3.73070	3.75050	3.82190	3.97610	4.22260

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	9.30%	9.17%
182 Days	9.79%	9.39%
364 Days	9.57%	9.57%
2 Years	9.70%	10.43%
5 Years	9.78%	10.35%
10 Years	10.24%	10.24%
15 Years	10.30%	11.01%
20 Years	10.34%	11.08%

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	88.36	-2.91%
Gold (OZS)	4,075.16	-0.03%
ICE-US Cotton (LBS)	79.34	0.48%
Soybean (BSH)	1,208.50	-0.90%
Wheat (BSH)	660.00	-2.65%
Sugar (LBS)	14.58	-2.02%
Palm Oil (Tonne)	1,144.50	1.47%
Steel (Tonne)	1,156.00	0.17%

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	6.77%	11.87%	1.73%	10.24%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	3.50%	2.60%	2.80%	1.70%
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	4.63%	4.96%	3.57%*	2.78%

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

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