# Treasury Weekly

BRAC BANK

আস্থা অবিচল

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## USDBDT Exchange Rate

Bangladesh currency gains some strength as the taka-Dollar exchange rate dropped significantly now amid lower demand for the American greenback, giving some coveted relief to importers.

Riding on higher exchange rate caused by demand spikes to settle government imports later last month, remitters sent home a significant sum of foreign currencies while export receipts were also on an upturn.

As a matter of fact, the foreign-exchange netting by commercial banks was enhanced significantly by end of July last. But the demand plummeted after government import settlement from early this month, which caused the exchange rate drop by more than BDT 1.0.

Bangladesh's foreign exchange reserves stood at US$37.11 billion (gross), according to the latest data released by Bangladesh Bank (BB).

The country's gross foreign exchange reserves reached US$37.11 billion, while reserves calculated under the IMF's BPM6 methodology stood at US$32.31 billion.

**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 | 0.11% | 1.1570 | Neutral |
| GBPUSD | 0.31% | 1.3534 | Neutral |
| AUDUSD | 0.24% | 0.7085 | Neutral |
| USDJPY | 0.96% | 159.3210 | Bullish |
| USDCNY | -0.09% | 6.7407 | Neutral |

### Market Overview:

- Euro rises against the US Dollar to near 1.1570 amid hawkish ECB expectations. EUR/USD holds the downward-sloping trendline breakout.
- British Pound picks up above 1.3500 against the US Dollar, after bouncing off lows at 1.3474.
- USD/JPY retreats slightly from a two-week high as receding Fed hike bets undermine the USD.
- AUD/USD gains slightly as weak Retail Sales pressure the Greenback.

## Money Market

| Item | Avg. Vol. (Cr.) | % Δ (Vol.) | WAR | % Δ (WAR) |
|---|---|---|---|---|
| Call | 4103.10 | -10.85% | 9.36% | -0.09% |
| Repo | 2478.13 | -18.50% | 10.20% | 0.29% |
| Term | 13.30 | -77.08% | 11.53% | 1.18% |

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

Bangladesh's fiscal and monetary landscape shows a mix of growth and cautious easing. During FY2025-26, tax revenue collection reached BDT 4,154.7 billion, marking a 12% Y-o-Y growth. In monetary policy, the central bank implemented its first rate cut in six years, lowering the policy rate from 10% to 9.5% to counter long-term tightening. As of June 2026, reserve money expanded by 15.29% Y-o-Y, while broad money grew by 11.11% Y-o-Y. In contrast, private sector credit growth hit a historic low of 4.47% in June 2025.

On the inflation front, point-to-point general inflation fell significantly to 8.32% in July 2026, dropping by 84 basis points over the previous month. This decline was primarily driven by food inflation, which fell by 144 basis points to stand at 7.16% in July 2026. However, future price stability faces risks. A 16.63% spike in petroleum import LCs is expected to trigger a future surge in dollar demand. This currency pressure, combined with domestic flood damage, ongoing energy crises, and the geopolitical fallout of the Iran war, may soon escalate food and energy inflation.

**Outlook**: Despite looming cost-push inflation, treasury bill and bond yields are expected to experience downward pressure in the near term as the central bank has signaled a shift toward monetary easing by policy rate cut.

## Capital Market

- BSEC has approved revised margin lending rules. These new rules set a maximum P/E ratio cap of 40 for margin-eligible shares. This cap applies to all sectors except life insurance. The commission approved these changes during its regular meeting on 11 August.
- City Group plans to raise up to Tk1,500 crore from the capital market to support its financing strategy. This marks the large industrial conglomerate's first entry into the equity capital market. The group may raise the funds through IPO, corporate bonds, Sukuk, or other financial instruments. City Group announced the plan on 13 August and has appointed Lanka Bangla Investments PLC as its issue manager. The transaction is still subject to regulatory approvals.

## Market Synopsis

| Reference Rate | Overnight | 1M | 3M | 6M | 12M |
|---|---|---|---|---|---|
| USD SOFR | 3.62000 | 3.63881 | 3.72774 | 3.83204 | 3.97023 |
| ESTR/EURIBOR | 2.18800 | 2.21400 | 2.50800 | 2.67100 | 2.93900 |
| GBP SONIA | 3.73080 | 3.73710 | 3.79150 | 3.90860 | 4.11000 |

### Treasury Bill & Bond Yields

| Tenor | Latest Yield | Previous Yield |
|---|---|---|
| 91 Days | 9.18% | 9.30% |
| 182 Days | 9.32% | 9.53% |
| 364 Days | 9.33% | 9.54% |
| 2 Years | 9.39% | 9.70% |
| 5 Years | 9.35% | 9.79% |
| 10 Years | 10.24% | 10.24% |
| 15 Years | 10.35% | 10.30% |
| 20 Years | 10.40% | 10.34% |

### Commodities

| Commodity (unit) | Latest Price | Weekly Change |
|---|---|---|
| Brent Crude Oil (BBL) | 88.52 | 5.95% |
| Gold (OZS) | 4,375.89 | 0.79% |
| ICE-US Cotton (LBS) | 83.60 | 0.46% |
| Soybean (BSH) | 1,173.75 | 1.49% |
| Wheat (BSH) | 674.75 | 5.47% |
| Sugar (LBS) | 16.60 | 0.91% |
| Palm Oil (Tonne) | 1,153.28 | 0.80% |
| Steel (Tonne) | 1,196.00 | 0.08% |

### Released Economic Data (South Asia & China)

| Indicator | India | Pakistan | China | Bangladesh |
|---|---|---|---|---|
| CPI (YoY) | 4.45% | 9.20% | 0.50% | 8.32% |
| GDP Annual Growth Rate | 7.80% | 4.00% | 4.30% | 3.49% |
| Policy Repo Rate | 5.25% | 11.50% | 3.00% | 9.50% |
| Government Bond 10Y | 6.76% | 11.96% | 1.69% | 10.24% |

### Released Economic Data (G8 Countries)

| Indicator | USA | UK | Eurozone | Japan |
|---|---|---|---|---|
| CPI (YoY) | 3.40% | 2.60% | 2.90% | 1.70% |
| GDP Growth Rate | 1.50% | 0.40% | 0.40% | 0.50% |
| Unemployment Rate | 4.10% | 4.90% | 6.30% | 2.50% |
| Base Rate | 3.75% | 3.75% | 2.40% | 1.00% |
| Government Bond 10Y | 4.70% | 5.04% | 3.51%* | 2.88% |

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

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