Treasury Weekly

BRAC BANK
আস্থা অবিচল

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USDBDT Exchange Rate

Inward remittances through mobile financial services (MFS) declined by nearly 21pc in June over the previous month. Wage-earner remittances received through MFS stood at BDT 22.29bn (USD 182.7mn) in June compared to BDT 28.18bn (USD 230.98mn) in May. The decline was recorded in both rural and urban areas, indicating a slowdown in the inflow of wage-earner remittances through digital financial channels during the month.

Driven by rising international fuel prices and increased demand, Bangladesh spent nearly USD 10.64bn on petroleum product imports in the last fiscal year. In the previous fiscal year, 2024-25, import expenditure in this sector was less than USD 5.14bn. As a result, fuel import costs increased by nearly USD 5.5bn, or 107pc, in just one year. The prevailing gas shortage across major industrial hubs has severely hit Bangladesh's knitwear sector like many other industries, crippling core dyeing and finishing operations, as well as threatening timely export deliveries.

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	0.92%	1.16766	Bullish
GBPUSD	0.83%	1.36456	Bullish
AUDUSD	1.21%	0.71706	Bullish
USDJPY	-0.21%	158.982	Bearish
USDCNY	-0.33%	6.71742	Bearish

Market Overview:

- The Euro posts a fresh three-month high at 1.1710 against the US Dollar. The pair holds above all key daily moving averages, keeping the near-term outlook bullish.
- GBP/USD edges higher to near 1.3650 in Friday's European session. GBP/USD supports the bullish outlook.
- USD/JPY trades flat at around 159.00 as both currencies underperform their peers. Japan's National CPI ex. Fresh Food arrives higher at 1.8% YoY, as expected.
- AUD/USD clears June high, confirming renewed bullish momentum.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4498.85	9.65%	9.36%	0.00%
Repo	2478.13	-18.50%	10.20%	0.29%
Term	18.45	38.72%	9.66%	-1.87%

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

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. However, this low private sector credit growth is expected to reverse as Bangladesh Bank's new Tk41,000 crore financing agreements push surplus liquidity into priority sectors, driving slightly higher mobility of funds across the economy.

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: Treasury bill and bond yields are expected to fall in the short term because the central bank is cutting interest rates, even though rising production costs are still driving up prices.

Capital Market

- Foreign investors continue to withdraw funds from the local stock market due to policy uncertainty, weak earnings, and currency risks, with net outflows rising to $223 million in FY26 from $138 million the previous year. This marks a continued negative trend in foreign portfolio investment since FY21.
- The Bangladesh Securities and Exchange Commission (BSEC) has revised margin rules for 2025 to support the market, allowing loans for 'A' and 'B' category shares with a price-to-earnings (P/E) ratio up to 40. These new regulations also ease thresholds for margin calls and forced sales while tightening regulatory oversight on intermediaries.

Market Synopsis

Reference Rate	Overnight	1M	3M	6M	12M
USD SOFR	3.63000	3.66727	3.74284	3.84312	3.98600
ESTR/EURIBOR	2.19100	2.21600	2.52400	2.76500	3.00300
GBP SONIA	3.73090	3.74120	3.79740	3.92140	4.13600

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	9.03%	9.18%
182 Days	9.14%	9.32%
364 Days	9.17%	9.33%
2 Years	9.39%	9.70%
5 Years	9.35%	9.79%
10 Years	9.23%	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)	94.39	6.63%
Gold (OZS)	4,602.61	5.18%
ICE-US Cotton (LBS)	87.07	4.15%
Soybean (BSH)	1,225.00	4.37%
Wheat (BSH)	681.50	1.00%
Sugar (LBS)	17.61	6.08%
Palm Oil (Tonne)	1,243.62	7.83%
Steel (Tonne)	1,194.00	-0.17%

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	6.87%	12.09%	1.70%	9.23%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	3.40%	2.90%	2.90%	1.90%
GDP Growth Rate	1.50%	0.40%	0.40%	0.30%
Unemployment Rate	4.10%	4.90%	6.30%	2.50%
Base Rate	3.75%	3.75%	2.40%	1.00%
Government Bond 10Y	4.74%	5.06%	3.65%*	2.87%

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

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