Treasury Weekly

BRAC BANK

আস্থা অবিচল

Issue # 14-2026 | Date: 09 Sep 2026

USDBDT Exchange Rate

Bangladesh's gross foreign exchange reserves have reached $36.38 billion, underscoring a cautious stabilisation of the country's external finances. According to data released by Bangladesh Bank, FX reserves calculated under the International Monetary Fund's rigorous manual (BPM6) stood at $31.47 billion on Sunday. The current reserve position points to a steady accumulation of foreign currency, driven largely by remittance inflows and export receipts. Bangladesh received $35.59 billion in remittances in the 2025-26 fiscal year, up from $30.33 billion a year earlier, as inflows from most major overseas labour markets recorded significant growth. Saudi Arabia remained the largest source of remittances, with inflows rising from $4.26 billion in FY2024-25 to $5.85 billion in FY2025-26. On the export front, Bangladesh's ready-made garment exports to the United States fell 6.25% year-on-year in the first seven months of 2026, as the country struggled to benefit from shifting orders away from China. While Cambodia and Indonesia recorded growth, Bangladesh's shipments declined amid competition from regional suppliers, supply chain constraints and domestic energy shortages. Bangladesh's export competitiveness on the global market has weakened as the taka gets stronger in exchange with peer currencies, prompting exporters to entreat the government to consider currency devaluation.

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

Global Currencies

Currency Pair	Weekly Change	Current Level	Expected Weekly Trend
EURUSD	0.42%	1.1634	Bullish
GBPUSD	0.07%	1.3545	Neutral
AUDUSD	0.85%	0.7223	Bullish
USDJPY	-4.01%	153.65	Bearish
USDCNY	-0.37%	6.7064	Neutral

Market Overview:

- USD struggles to stay resilient against its major rivals midweek, with the USD Index declining to its lowest level in over two weeks below 98.70.
- Euro gains support as markets have fully priced in a 25 basis point rate hike to 2.5% on Thursday. Surging energy prices driven by the US-Iran conflict are fueling the European Central Bank's expected decision.
- AUD/USD crawls higher and hits a 0.7237 high, despite risk-averse markets. Middle East tensions and the Oil rally are likely to limit Aussie rallies.
- The BoJ is widely anticipated to raise interest rates in their upcoming policy meetings.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	3356.36	-18.35%	9.23%	0.02%
Repo	5507.28	-14.04%	9.27%	0.01%
Term	42.89	16.77%	9.56%	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

Bangladesh's government borrowing from banks grew very fast, jumping 2.6 times to BDT 1,655.4 billion in FY26. At the same time, banks have too much cash because businesses are not taking out loans, with private sector loan growth hitting a record low of 4.47% in June 2025. To counter long-term tightening, the central bank implemented its first rate cut in six years, lowering the policy rate from 10% to 9.5%. Because banks have so much extra money, interest rates on government Treasury bills have also dropped into single digits, such as the 91-day bill falling to 8.83%.

Bangladesh's future price stability faces serious threats as inflation is expected to remain under pressure from severe seasonal flooding and the compounding fuel crisis. In August, the country's gas supply fell to a 10-year monthly low of 2,235 mmcfd, leaving a massive deficit against the actual daily demand of over 4,000 mmcfd. To tackle this shortage, the state company Petrobangla is actively searching for new international gas suppliers. However, a 16.63% spike in petroleum import LCs is already expected to trigger heavier dollar demand soon. Combined with the geopolitical fallout of the Iran war, this growing currency pressure and energy shortfall could quickly push food and energy costs even higher.

Outlook: Treasury rates are expected to stay low in single digits in the near term as banks grapple with massive excess liquidity and weak private credit, though rising dollar demand and inflation risks from energy shortages and global conflicts may

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	3.65000	3.76805	3.83655	3.96860	4.15961
ESTR/EURIBOR	2.18800	2.38000	2.66900	2.79700	3.11600
GBP SONIA	3.72930	3.74950	3.81240	3.95910	4.20750

Treasury Bill & Bond Yields

Tenor	Latest Yield	Previous Yield
91 Days	8.59%	8.73%
182 Days	8.64%	8.82%
364 Days	8.64%	8.89%
2 Years	8.75%	9.39%
5 Years	8.53%	9.15%
10 Years	9.42%	9.23%
15 Years	9.10%	10.35%
20 Years	9.13%	10.40%

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	96.28	7.80%
Gold (OZS)	4,427.69	-0.56%
ICE-US Cotton (LBS)	82.42	-8.34%
Soybean (BSH)	1,293.75	1.37%
Wheat (BSH)	716.00	-6.65%
Sugar (LBS)	18.07	2.90%
Palm Oil (Tonne)	1,219.75	0.24%
Steel (Tonne)	1,226.00	1.74%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	4.45%	11.10%	0.50%	8.32%
GDP Annual Growth Rate	7.80%	4.00%	4.30%	4.14%
Policy Repo Rate	5.25%	11.50%	3.00%	9.50%
Government Bond 10Y	6.95%	12.10%	1.67%	9.42%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	3.40%	2.90%	3.30%	1.90%
GDP Growth Rate	1.50%	0.40%	0.40%	0.30%
Unemployment Rate	4.10%	4.90%	6.40%	2.40%
Base Rate	3.75%	3.75%	2.40%	1.00%
Government Bond 10Y	4.81%	5.21%	3.64%*	2.88%

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

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