

USDBDT Exchange Rate

Bangladesh's foreign exchange reserves stood at US\$36.32 billion (gross), while reserves calculated under the IMF's BPM6 methodology stood at US\$31.47 billion. Bangladeshi expatriates sent home USD1.526bn in remittances during the first 14 days of September (BB). This reflects a 3.4% growth compared to USD1.475bn received during the corresponding period last year. Bangladesh's apparel exports to the US surged 25.65% year-on-year in August, despite a decline in shipments to the market during the first half of 2026.

Bangladesh pays dearly on overall imports as higher fuel-oil prices in lifted its import orders in value by nearly 14% in July. The opening of fresh LCs for petroleum products surged 68.67 per cent year on year to US\$1.24 billion in July. Bangladesh's trade deficit, the gap between what it buys and sells abroad, widened by 38.36% to \$2.08 billion in July, the first month of the current fiscal year, mainly due to high import growth amid negative export growth. Last week, Bangladesh Bank has sold dollars from its foreign exchange reserves to commercial banks through an auction, aiming to contain a recent rise in the exchange rate. The central bank intervened to prevent the exchange rate from rising further. The move also signals that the Bangladesh Bank may sell dollars when demand pushes up the rate and buy them when foreign currency inflows increase.

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	-0.97%	1.1477	Bearish
GBPUSD	-0.77%	1.3400	Bearish
AUDUSD	-0.78%	0.7110	Bearish
USDJPY	1.49%	155.65	Bullish
USDCNY	-0.01%	6.7071	Neutral

Market Overview:

- USD climbed to a seven-week high after Fed raised rates from 3.75% to 4.00% and reaffirmed its commitment to curbing inflation.
- The Bank of England (BoE) is expected to keep its benchmark interest rate steady at 3.75%, which should be its sixth hold in a row following December's 25-bps rate cut.
- The USD/JPY pair faces downward pressure as the US Dollar (USD) holds losses despite the potential for further Federal Reserve policy tightening.
- Cable hit 1.3370 in Asia, its lowest level since July 30. Drop to 1.3370 spurred by dollar strength on Fed's hawkish hike.

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4212.71	25.51%	8.87%	-0.36%
Repo	4941.33	-2.02%	8.86%	-0.08%
Term	15.00	-65.02%	9.77%	0.21%

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

Inflation in Bangladesh slowed down to 8.26% in Aug'26 due to falling food prices. 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%. 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 Jun'25. Because banks have so much extra money, Treasury rates also dropped into single digits, such as the 91-day T-bill falling to 8.59%.

The simultaneous implementation of the National Pay Scale 2026, effective from Jul'26, demands a monthly additional expense of BDT ~8,800 crore and hits the budget with a three-month lump sum of BDT ~26,400 crore this Sep'26. Moreover, the initial BDT 5,000 crore pre-finance loan disbursement, coupled with Bangladesh Bank's emergency cash support enabling Sammilito Islami Bank to disburse Tk 670 crore to 14,000 depositors over two days, will inject massive immediate liquidity into the banking system, significantly expanding the money supply. To finance these compounding cash outlays and subsequent incremental deficits, the government may scale up its issuance of Treasury bills and bonds.

Outlook: Treasury rates are expected to stay low in the single digits near term due to massive excess bank liquidity and weak private credit. However, this downward trend may eventually halt as rising dollar demand, energy shortages, and global conflicts escalate inflation risks.

Capital Market

- The securities regulator has widened the investment scope for stock exchange officials to include government securities, non-convertible bonds, open-end mutual funds, ETFs, and REITs, while maintaining the ban on direct stock trading.
- The Dhaka Stock Exchange (DSE) is launching a web and mobile platform to automate the creation and redemption of open-end mutual fund units, making these investments more accessible and transparent.
- The Bangladesh Securities and Exchange Commission (BSEC) plans to mandate "extended audits" for IPO issuers to physically verify assets, inventories, and bank transactions before going public.

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)	105.68	7.92%
Gold (OZS)	4,297.89	-1.29%
ICE-US Cotton (LBS)	80.64	-2.42%
Soybean (BSH)	1,285.25	-1.32%
Wheat (BSH)	707.00	-3.18%
Sugar (LBS)	18.16	0.33%
Palm Oil (Tonne)	1,190.48	-2.94%
Steel (Tonne)	1,234.00	0.33%

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

For further information please contact: **Markets, Treasury**, BRAC Bank PLC
Phone: 0241082969
E-mail: dealing.room@bracbank.com