

Currency Outlook

USDBDT Exchange Rate

Bangladesh's foreign exchange reserves hits \$26.39 billion (BPM6). From July 1 to September 23, the country received \$7.06 billion, an 18.2% year-on-year increase. This upward trend has been fueled by several factors—government incentives, including a 2.5% cash bonus on remittances through formal channels, stricter regulation against illegal hundi operations, and relatively stable exchange rates that favour official banking systems. At the same time, export earnings, particularly from the readymade garments (RMG) sector, have shown signs of recovery, recording nearly 10% growth in the July–August period after a sluggish period last year. Additionally, inflows from foreign loans, development aid, and deferred payment arrangements have provided temporary relief, giving a boost to the overall reserve. Even though import payments surged nearly 20% in July this fiscal year, only a 1.75% growth was posted in fiscal year 2024-25, reflecting subdued demand among businesses amid high inflation, political uncertainties, and economic slowdowns. Bangladesh Bank Governor Ahsan H Mansur assured the country's top business groups of adequate dollar support for opening import letters of credit (LCs), and urged them to ensure an adequate supply of essential commodities in the market to keep prices stable. Bangladesh's repayment of foreign loans surged 13.21% in the first two months of the current fiscal year (ERD). Between July and August, the government paid \$667.11 million in principal and interest on various development loans, up from \$589.22 million during the same period last year.

Outlook: Considering market dynamic driven BB decision for USD auction in interbank market, exchange rate is expected to remain stable in the coming days.

Global Currencies

EURUSD -0.37% weekly change 

EUR/USD ended last week on a lower note, yet it seems to have found its feet at around 1.1650. After reaching the latter, the pair edged back towards 1.1700 but failed to end the day/week above that price level.

GBPUSD -0.49% weekly change 

GBP/USD may find its initial support at the monthly low at 1.3333. The pair is testing its primary support at the monthly low at 1.3333. A break below this level would strengthen the bearish bias and put downward pressure on the pair to navigate the region around the five-month low of 1.3141

AUDUSD -0.61% weekly change 

AUD/USD is trading around 0.6560 on Monday. Daily chart shows that the pair remains within a descending channel pattern, indicating the market sentiment is bearish. On the downside, the AUD/USD pair may find its immediate support at 0.6550, followed by 0.6500.

USDJPY 1.08% weekly change 

USD/JPY falls further to near 148.60 as the Japanese Yen outperforms amid weakness in the US Dollar. The US Dollar faces pressure amid mounting US government shutdown risks. Investors await the key US data and the BoJ Summary of Opinions.

USDCNY 0.23% weekly change 

USD/CNH stays down, but off low 7.1210, last 7.1232. Dipping below 21 DMA support 7.1243, precarious. China stocks rise, with SSEC +0.3%, Hang Seng +1.4%.

Money

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4659.59	-16.28%	9.94%	0.00%
Repo	1461.47	5.33%	10.25%	-0.02%
Term	60.71	-23.25%	11.52%	0.66%

Excess reserve (Excess CRR: un-invested cash) in banking system increased to BDT 128.97 bio by end of Jun25 from BDT 67.19 bio as of end of May'25. Total liquid asset (excess of min required asset) including excess investment in government treasury securities increased to BDT 5.86 trio at the end of Jun'25 from 5.27 trio at end of May'25.

Interest Rate

Government borrowing from the banking system (including BB) stood BDT 25.67 bln on July of FY2026, whereas net borrowing from scheduled bank was BDT 13.34 bln. Government borrowing from the non-banking system stood BDT 59.58 bln July of FY2026, within which Net sales of savings certificate was BDT 12.93 bln during the period. Tax revenue collection on July,25 was BDT 272.49 bln, showing 24.3% growth YOY. Inflation slowed down slightly to 8.29 % at the end of Aug, 25 with food inflation of 7.60% and Non-food inflation eased to 8.99%. However, Month-to-month inflation increased by 2.36%, showing extraordinary rigidity. BB Governor reiterated his expectation to inflation falling below 6.5% in recent future. Bangladesh August Purchasing Manager Index (PMI) recorded a slower contraction rate at 58.3, depicting cautionary approach in services, manufacturing and agricultural sector. Government unveiled budget for FY2025-26, where targeted borrowing from banking system is BDT 1.04 trln against revised target of BDT 990.0 bln for FY2024-25. ADP implementation drops to 2.39% in Jul-Aug of FY26. In July and August, a total of Tk 57.15 billion has been spent from the development budget, compared with Tk 71.43 billion during the same period in FY2025, when implementation stood at 2.57 percent. Reserve money growth was 2.5% and Broad Money growth was 6.99% on July, FY26. Private sector credit growth dropped to 6.52% on the same period. Purchase of USD by Central Bank is injecting liquidity into the banking system. Driven by improved liquidity and lower inflation expectations, all the GSEC yield showed major downward fall in recent times.

Outlook: We expect interest rates to become stable at current levels for time being, with further downward movement after monetary policy easing, once inflation is within targeted range.

Capital Market

- Pubali Bank and Jamuna Bank have received regulatory approval to raise BDT 13 billion through subordinated bonds in order to strengthen their capital base under Basel-III compliance. EBL is planning to issue subordinate bonds worth BDT 8 billion with a tenure of seven years, the subordinated bonds will be issued through private placement. City Bank PLC has revised its plan to issue a subordinated bond, increasing the value to BDT 12bn from BDT 8bn to meet its capital requirements and support business growth.
- The cut-off yield, commonly referred to as the interest rate, on 15-year Bangladesh Government Treasury Bonds (BGTBs) dropped to 9.67 per cent from 10.28 per cent earlier, while the yield on 20-year BGTBs declined to 9.70 per cent from 10.38 per cent, according to auction results.

Market Synopsis

Treasury Bill & Bond Yields

Latest Issue Date	Tenor	Latest Yield	Previous Yield
29-Sep-25	91 Days	9.91%	10.00%
29-Sep-25	182 Days	9.79%	9.91%
29-Sep-25	364 Days	9.68%	9.88%
03-Sep-25	2 Years	10.17%	10.26%
10-Sep-25	5 Years	10.03%	10.28%
17-Sep-25	10 Years	9.90%	10.26%
24-Sep-25	15 Years	9.67%	10.28%
24-Sep-25	20 Years	9.70%	10.30%

Capital Market

Index	Value
DSEX	5,461.74
FTSE 100	9,491.25
Nikkei 225	45,769.50
Dow Jones IA	46,758.28
S&P 500	6,715.79

USD SOFR

Tenor	SOFR
Overnight	4.20000
1M	4.10159
3M	3.93549
6M	3.78802
1Y	3.58301
Source	Refinitiv, CME Term SOFR

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	64.53	-7.96%
Gold (OZS)	3,885.99	3.36%
ICE-US Cotton (LBS)	62.86	-1.70%
Soybean (BSH)	1,018.00	0.42%
Wheat (BSH)	515.25	-0.87%
Sugar (LBS)	16.47	3.78%
Palm Oil (Tonne)	1,056.11	1.36%
Steel (Tonne)	804.00	-0.12%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	2.07%	5.60%	-0.04%	8.29%
GDP Annual Growth Rate	7.80%	2.40%	5.20%	3.97%
Policy Repo Rate	5.50%	11.00%	3.00%	10.00%
Government Bond 10Y	6.51%	11.99%	1.88%	9.90%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	2.90%	3.80%	2.20%	2.70%
GDP Growth Rate	3.80%	0.30%	0.10%	0.50%
Unemployment Rate	4.30%	4.70%	6.30%	2.60%
Base Rate	4.25%	4.00%	2.15%	0.50%
Government Bond 10Y	4.12%	4.69%	3.19%*	1.66%

*10-Year Eurozone Central Government Bond Par Yield Curve

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