

Currency Outlook

USDBDT Exchange Rate

The Bangladesh Bank instructed banks to further clear overdue letters of credit (LC) payments, as this type of non-payment tarnishes the image of the country's banking system, increases the cost of foreign trade, and disrupts the trade environment. Overdue LC payments, which were hovering above \$445 million in November last year, came down to \$242 million as of January 31. That figure has now further dropped to \$88 million. Additional directives issued call for banks to prepare integrated action plans to clear overdue amounts. Branches with larger outstanding payments have been instructed to implement special monitoring mechanisms.

Bangladesh's merchandise exports grew by 11.44% year-on-year in March to \$4.25 billion, up from \$3.81 billion in the same month last fiscal year, according to data released by the Export Promotion Bureau (EPB) today (7 April). This marks the sixth time in the last nine months that monthly exports have surpassed the \$4 billion mark. Bangladesh's inward remittance inflow crossed the \$3.0 billion mark for the first time in history in March this year, which gave the much-needed impetus to the country's depleting foreign currency reserves. Bangladeshi citizens working abroad sent remittances equivalent to \$3.29 billion in March, a nearly 65 per cent jump from the \$1.99 billion that came in the same month a year earlier, driven by the celebration of the Eid-ul-Fitr festival.

Outlook: As overdue payments are gradually getting cleared and with improved remittance and export inflows, exchange rate is expected to remain stable for now.

Global Currencies

EURUSD 0.43% weekly change ▲

EUR/USD holds below 1.0950, German spending plan and softer US Dollar might support the major pair. Immediate resistance stands at 1.0946, a breakout above this threshold could open the door to 1.0969, followed by the psychologically important 1.1000 mark.

GBPUSD 0.09% weekly change ▲

GBP/USD climbs 0.31%, approaching last week's peak of 1.2987 amid broad-based US Dollar weakness. US Retail Sales miss forecasts; New York Fed manufacturing activity plunges, heightening recession fears and Fed easing expectations. Markets await crucial BoE policy meeting.

AUDUSD 0.29% weekly change ▲

AUD/USD trades with caution below 0.6400 amid Middle East tensions. A push above 0.6408, might open the door to 0.6523, prior to 0.6687. Traders prefer to stay on the sidelines amid intensifying geopolitical risks in the Middle East, reducing the appeal of the higher-yielding Aussie.

USDJPY 0.40% weekly change ▲

USD/JPY sits at two-week high near 149.50 as renewed Middle East geopolitical jitters revive the safe-haven demand for the US Dollar. However, further upside appears elusive amid divergent BoJ-Fed expectations and rising trade tensions.

USDCNY 0.05% weekly change ▲

USD/CNH-Range trading persists but downside vulnerable. Lower USD index, robust China data and fresh stimulus measures weigh. China stocks end nearly flat as consumption measures fail to impress traders.

Money Market and Interest Rate

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	3320.57	0.03%	9.98%	0.02%
Repo	1725.12	5.32%	10.26%	0.14%
Term	140.00	101.05%	12.36%	1.00%

Excess reserve (Excess CRR: un-invested cash) in banking system decreased to BDT 55.70 bio by end of Jan'25 from BDT 64.57 bio as of end of Dec'24. Total liquid asset (excess of min required asset) including excess investment in government treasury securities increased to BDT 5.28 trillion at the end of Jan'25 from 5.02 trillion at end of Dec'24.

Interest Rate

Despite lower food inflation during Ramadan, Inflation for March has increased slightly for nonfood components like clothes, healthcare or other luxuries. Overall inflation rate stood at 9.35% in March showing 1.29 percentage point growth MOM. This growth may termed as one-off due to Eid. Non-food prices spiraled to 9.70% in Mar'25, up from February's 9.38%. Food inflation decreased to 8.93% in Mar'25, down from 9.24% in the previous. Both economists and regulators projects inflation to follow down trend as Bangladesh Bank has continued with contractionary monetary policy. IMF also pointed out that their own projections indicate that the inflation will come down to 8.2% by June. Moving average rate of inflation is also decreasing slowly and reduced to 10.26% from 10.30% MOM.

Private sector credit growth continues to plunge despite marginal easing of import compression on the domestic market. Both business and banks are taking cautious moves to expand considering the recent mass-uprising and post-uprising uncertainty. The private sector credit growth keeps dropping remarkably in recent months to reach 6.82% in Feb'25. Banks prefer to invest more on higher yielding risk free government securities to park their surplus fund and avert further buildups of the NPLs. Country's apex trade body expects this growth to be in green zone as import orders and settlements are rising gradually. LC opening rose by 4.62% to \$47.28 billion in the period of Jul-Feb of FY'25 whereas settlement grew by 4.07% to \$ 45.99 billion in same period.

Yield curve of treasury securities started to rise since Bangladesh bank came up with reduction of repo support frequency and large auction calendar with 43k net gap. Both event will create pressure on market liquidity.

Outlook: Interest rate is expected to remain downward in upcoming days due to

Capital Market

- Bangladesh Bank issued a circular extending, till the end of 2026, the tenure of a BDT 2bn (USD 16.4mn) fund that each bank was individually allowed to create in order to make investments in the stock market.
- The Dhaka Stock Exchange (DSE), Pakistan Stock Exchange (PSX), and Colombo Stock Exchange (CSE) have signed a tripartite MoU to strengthen cooperation, focusing on technology development, human resource collaboration, and investor protection.

Market Synopsis

Treasury Bill & Bond Yields

Latest Issue Date	Tenor	Latest Yield	Previous Yield
07-Apr-25	91 Days	11.24%	10.75%
07-Apr-25	182 Days	11.45%	10.90%
07-Apr-25	364 Days	11.75%	11.09%
09-Apr-25	2 Years	12.18%	11.20%
12-Mar-25	5 Years	11.48%	10.47%
19-Mar-25	10 Years	12.05%	10.32%
27-Mar-25	15 Years	12.28%	11.36%
27-Mar-25	20 Years	12.75%	12.05%

Capital Market

Index	Value
DSEX	5,175.95
FTSE 100	8,134.34
Nikkei 225	34,303.45
Dow Jones IA	40,524.79
S&P 500	5,405.97

USD SOFR

Tenor	SOFR
Overnight	4.33000
1M	4.32093
3M	4.26054
6M	4.11328
1Y	3.88879
Source	Refinitiv, CME Term SOFR

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	64.76	-1.20%
Gold (OZS)	3,236.21	6.55%
ICE-US Cotton (LBS)	65.89	3.55%
Soybean (BSH)	1,042.75	6.73%
Wheat (BSH)	555.50	5.01%
Sugar (LBS)	18.00	-4.45%
Palm Oil (Tonne)	952.94	2.37%
Steel (Tonne)	938.00	0.64%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	3.61%	0.70%	-0.10%	9.35%
GDP Annual Growth Rate	6.20%	2.50%	5.40%	4.22%
Policy Repo Rate	6.00%	12.00%	3.10%	10.00%
Government Bond 10Y	6.41%	12.47%	1.66%	12.05%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	2.40%	2.80%	2.20%	3.70%
GDP Growth Rate	2.40%	0.10%	0.00%	0.60%
Unemployment Rate	4.20%	4.40%	6.10%	2.40%
Base Rate	4.50%	4.50%	2.65%	0.50%
Government Bond 10Y	4.35%	4.66%	3.16%*	1.35%

*10-Year Eurozone Central Government Bond Par Yield Curve

** SMART is Six-Month Moving Average Rate of Treasury Bill

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