

Currency Outlook

USDBDT Exchange Rate

Bangladesh's foreign currency reserves have once again exceeded above the \$21 billion mark after nearly one and a half months. The central bank said on Sunday, the country's reserves stood at \$21.38 billion on Apr 17, calculated under the IMF's BPM6 method. The strong inflow of remittances has continued into April, with expatriates sending \$1.78 billion in the first 19 days of the month. This follows a record-breaking \$3.29 billion received in March. The government is set to clear all outstanding payments worth US\$ 72.40 million for Liquefied Natural Gas (LNG) purchases from QatarEnergy by Wednesday. Chevron Bangladesh has recently received its outstanding payments from the state-owned Petrobangla. Foreign corresponding banks start easing line-of-credit tightening for their Bangladeshi counterparts as quick payment of overdue import bills following governance change pays off. Large international banks that typically act as correspondents for commercial banks here had squeezed limit of their lines of funds for the Bangladeshi banks from the outset of the financial year (FY) 2024-25 mainly because of overdue bill buildups. The central bank constantly followed up on the payment situation and that yielded remarkable achievement. Citing BB data, the official says the outstanding volume of overdue payments came to \$445.36 million by the end of November 2024. The Real Effective Exchange Rate (REER) index – the weighted average of a country's currency relative to a basket of other major currencies – decreased to 100 in March, signaling stability in exchange rate competitiveness and suggesting no further depreciation pressure on the taka.

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 0.27% weekly change ▲

EUR/USD sticks to gains near 1.1500 as the US Dollar has been battered by Trump's attack on the Fed's independence. Trump blames Fed Powell for the potential US economic slowdown. The ECB is expected to cut interest rates in June due to escalating downside risks to Eurozone inflation.

GBPUSD 1.64% weekly change ▲

The Pound Sterling demonstrates firmness against the US Dollar near 1.3400 as Trump aims to sack Fed Powell for not cutting interest rates. The US Dollar is the major casualty of the feud between Trump and Powell. Investors expect the BoE to cut interest rates in May.

AUDUSD 1.45% weekly change ▲

AUD/USD ticks lower to near 0.6400 as the US Dollar aims for a cushion after a sharp decline in the last few weeks. US President Trump has assaulted the Fed's independence for not lowering interest rates. The trade war between the US and China could impact the Australian Dollar.

USDJPY -0.93% weekly change ▼

USD/JPY continues to slide after breaking below a flag-like channel, hitting last year's low around 139.50/138.90. With no clear signs of a rebound, the pair remains vulnerable to further losses toward key projections at 136.50 and 134.80.

USDCNY 0.32% weekly change ▲

USD/CNH rally halts, last 7.3111, might drift down more. Further USD selling could emerge as Europe, US markets react. China's yuan concerns may be evolving as USD dives.

Money Market and Interest Rate

Money Market

Item	Avg. Vol. (Cr.)	% Δ (Vol.)	WAR	% Δ (WAR)
Call	4857.95	47.73%	9.93%	-0.02%
Repo	1725.12	5.32%	10.26%	0.14%
Term	85.68	-12.87%	12.07%	-0.30%

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 trio at the end of Jan'25 from 5.02 trio at end of Dec'24.

Interest Rate

Tax revenue collection of government recovered a bit in Feb'25. Total tax revenue collection during Jul-Feb, FY25-26 showed a growth of 1.76%, though largely falling behind target. 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 government's prudent actions to keep inflation under control.

Capital Market

- After suffering major losses from ill-fated investments – particularly fixed deposit receipts (FDRs) placed in weak and scam-hit non-bank financial institutions (NBFIs) – the Investment Corporation of Bangladesh (ICB) has initiated a recovery drive to reclaim its long stuck funds and restore financial stability. Under its newly appointed chairman and managing director, the state-run investment agency has drawn up a roadmap for recovering the deposits.

Market Synopsis

Treasury Bill & Bond Yields

Latest Issue Date	Tenor	Latest Yield	Previous Yield
21-Apr-25	91 Days	11.59%	11.45%
21-Apr-25	182 Days	11.84%	11.75%
21-Apr-25	364 Days	11.92%	11.86%
09-Apr-25	2 Years	12.18%	11.20%
16-Apr-25	5 Years	12.39%	11.48%
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	5,026.57
FTSE 100	8,287.32
Nikkei 225	34,220.60
Dow Jones IA	38,170.41
S&P 500	5,158.20

USD SOFR

Tenor	SOFR
Overnight	4.32000
1M	4.32212
3M	4.27934
6M	4.12793
1Y	3.84982
Source	Refinitiv, CME Term SOFR

Commodities

Commodity (unit)	Latest Price	Weekly Change
Brent Crude Oil (BBL)	67.96	4.94%
Gold (OZS)	3,327.54	2.82%
ICE-US Cotton (LBS)	66.32	0.65%
Soybean (BSH)	1,036.50	-0.60%
Wheat (BSH)	548.75	1.22%
Sugar (LBS)	17.93	0.39%
Palm Oil (Tonne)	901.36	5.41%
Steel (Tonne)	940.00	0.21%

Released Economic Data (South Asia & China)

Indicator	India	Pakistan	China	Bangladesh
CPI (YoY)	3.34%	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	6.32%	12.81%	1.65%	12.05%

Released Economic Data (G8 Countries)

Indicator	USA	UK	Eurozone	Japan
CPI (YoY)	2.40%	2.60%	2.20%	3.60%
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%	2.40%	0.50%
Government Bond 10Y	4.38%	4.56%	3.16%*	1.31%

*10-Year Eurozone Central Government Bond Par Yield Curve

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

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