

QUARTERLY MONETARY POLICY STATEMENT

Oct - Dec 2026

A REVIEW BY
PBIL

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Cautionary

stance maintained
against inflation peak up

Unchanged

Policy rate and corridor

SDF

Standing
Deposit Facility

7.5%

Policy

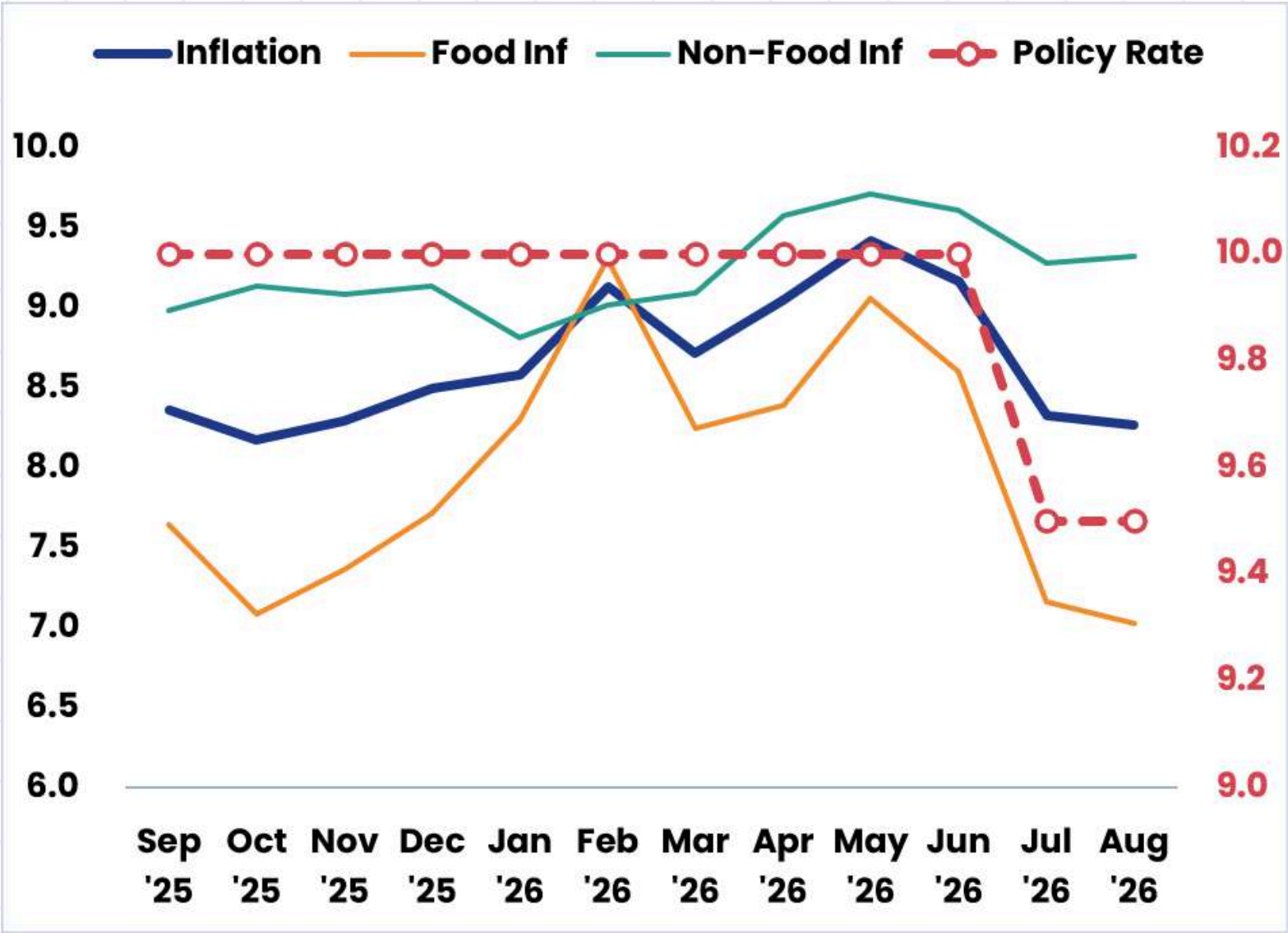
Repo Rate

9.5%

SLF

Standing
Lending Facility

11.0%



INFLATION & POLICY RATE PARADIGM



Due to high inflation in mid 2024, BB raised policy rate to 10% effective from October 2024.



After recent peak of 9.42% in May 2026, inflation later declined due to easing food inflation. However, non-food inflation was on higher ends.



Bangladesh Bank cut down rate to 9.5% on 30th Jul 2026, and kept it unchanged in FY27'Q2 Monetary Policy Statement.



Geopolitical tension, energy & fertilizer cost volatility, national pay scale raise, etc. have put BB on a cautious stance.

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IMPACT ON

INVESTMENTS

INVESTMENTS

Fixed Income

Banking Sector Excess Liquidity ₹4.08 lac crore (Jun '26) ▶ ₹4.30 lac crore (Jul '26) ▶ ₹4.46 lac crore (Aug '26)

Yield on govt. securities declined gradually in last several months. However, yields may increase from December to March period due to:



Low Tax Revenue



Higher Financing Required for Energy & Food Prices



Govt. Payscale Adjustment

Equity

May remain volatile with modest upward movement slowly due to:

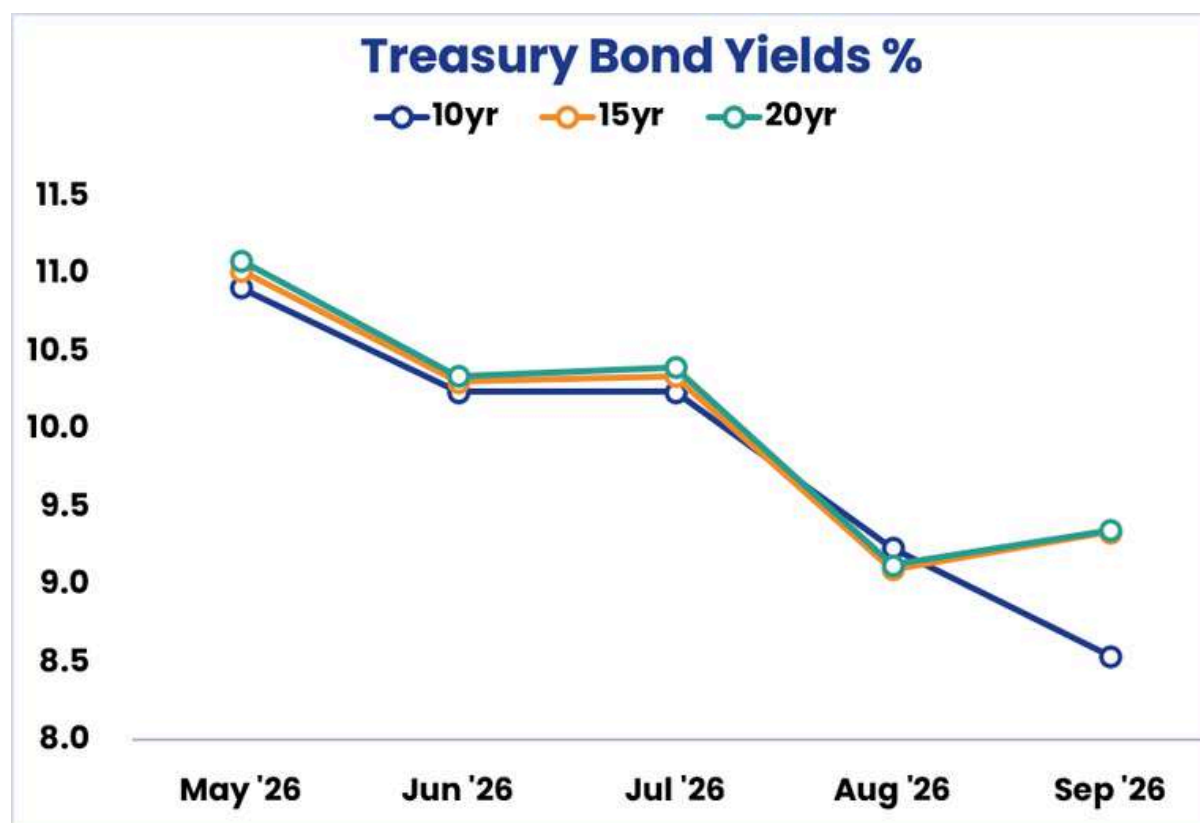


Huge Excess Liquidity in System



Low Private Sector Credit Growth

Businesses with earnings growth and low debt burden may **outperform**.



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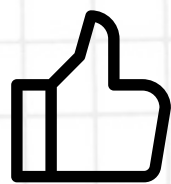
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