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Money Market Dynamics

Monetary Policy Department

Bangladesh Bank

Monetary Policy Department
Bangladesh Bank

Suggestions/Comments for improvement in the contents of this publication would be highly appreciated. Users may kindly contact the following email address with their suggestions/comments and queries, if any: rafiqul.islam178@bb.org.bd

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Executive Summary

Call Money

The turnover of the call money market stood at Tk. 85,063.39 crore in February 2026, which was 10.88 percent lower than the preceding month (January 2026). Among the transactions, overnight call money dominated with 90.30 percent, followed by short notice at 8.63 percent and term call money at 1.06 percent. The weighted average rate (WAR) of overnight call money declined by 4 basis points to 9.90 percent, while the overall call money WAR decreased by 4 basis points to 9.95 percent during the month under review.

Interbank Repo

The turnover of interbank repo stood at Tk. 65,850.69 crore in February 2026, which was 5.24 percent higher than the previous month. In terms of tenure composition, the 7-day maturity accounted for the highest share at 43.39 percent, slightly higher than 28.72 percent in the preceding month, followed by the 1 day tenure with a share of 25.54 percent. Meanwhile, the weighted average rate (WAR) of interbank repo declined by 14 basis points to 9.90 percent in February 2026 compared to the previous month.

Central Bank Repo

The turnover of central bank repo stood at Tk. 64,421.62 crore in February 2026, which was 22.15 percent lower than the previous month. Among the transactions, the 14 days maturity dominated with a share of 92.47 percent, which was 5.82 percentage points lower than the preceding month.

Standing Facilities

In February 2026, commercial banks received Tk. 1,488.69 crore under the Standing Lending Facility (SLF), which was 71.67 percent lower than the previous month, while the utilization of the Standing Deposit Facility (SDF) stood at Tk. 54,549.59 crore, marking a decline of 41.21 percent compared to the preceding month.

Special Liquidity Facilities

In February 2026, the Central Bank provided Tk. 25,618.30 crore as special liquidity support, of which 59.08 percent was extended under the Islamic Banks Liquidity Facility (IBLF) to Islami banks.

Government Treasury Bills

In February 2026, a total of Tk. 30,000 crore in Government Treasury Bills was issued, marking a 6.25 percent decline from the previous month. The weighted average rates (WAR) for 91 days, 182 days, and 364 days T-Bills were recorded at 10.11 percent, 10.19 percent, and 10.24 percent, respectively.

Money Market Scenario

The money market is an essential component of an economy as it provides short-term liquidity to financial institutions and the government. A well-developed money market supports effective liquidity management, facilitates the implementation of monetary policy, offers safe investment opportunities, and contributes to the stability of the banking system.

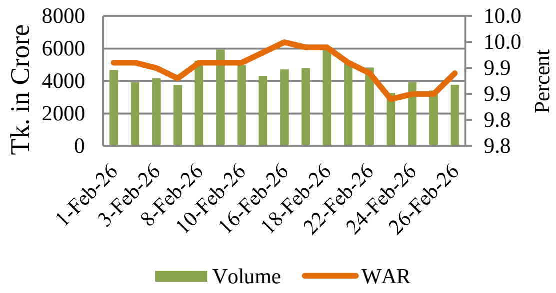
1. Call Money

1.1 Call Money (Overnight)

1.1.1 Total Turnover

The total turnover of overnight call money stood at Tk. 76,816.14 crore in February 2026, representing a decrease of Tk. 6,621.66 crore or 7.9 4percent compared to the previous month.

Chart 1.1: Daily Movement of Overnight Call Money with Volume and WAR



1.1.2 Interest Rates (February 2026)

- Minimum interest rate: 9.84%
- Maximum interest rate: 9.95%
- Weighted Average Rate (WAR): 9.90%

1.1.3 Monthly Movement of Turnover and WAR

Chart 1.2: Monthy Turnover of Overnight Call Money

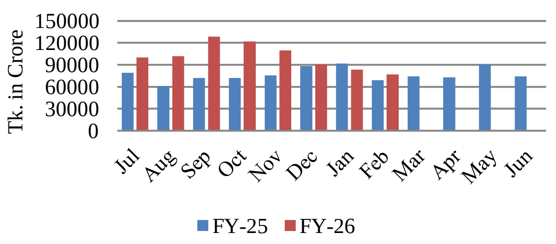
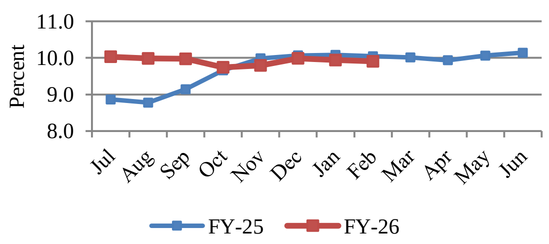


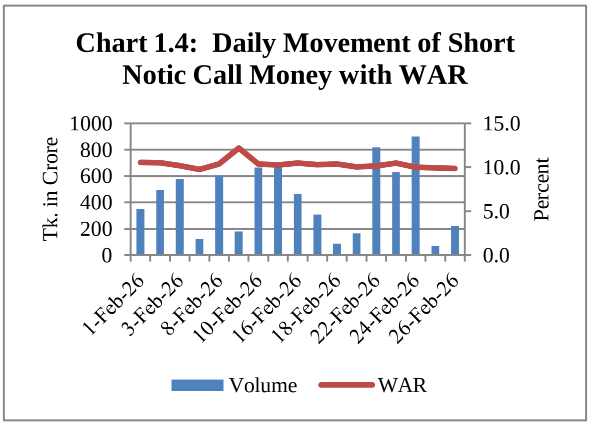
Chart 1.3: Monthly WAR of Overnight Call Money



- Overnight call money turnover in February 2026 increased by Tk. 7,980.92 crore or 11.59 percent compared to the same period of the previous year.
- In terms of interest rates, the weighted average rate (WAR) of overnight call money in February 2026 declined by 14 basis points compared to the same month of the previous year.

1.2 Call Money (Short Notice)

Short notice money refers to call money with maturities ranging from 2 to 14 days.



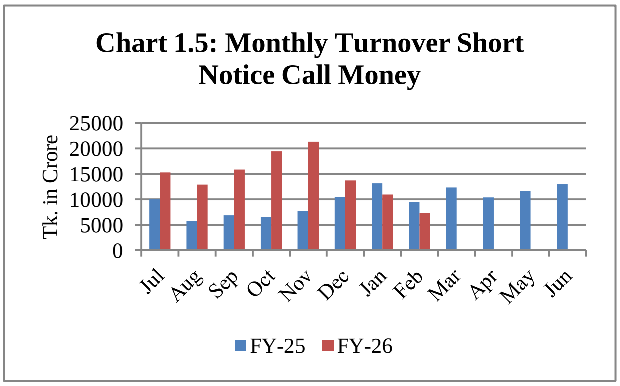
1.2.1 Total Turnover

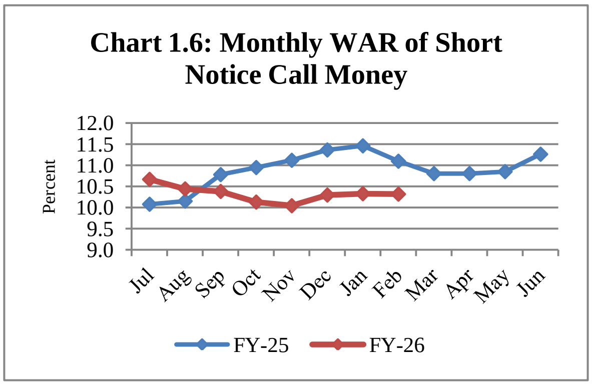
The turnover of short notice call money stood at Tk. 7,341.70 crore in February 2026, which was Tk. 3,645.68 crore or 33.18 percent lower than that of the previous month.

1.2.2 Interest Rates

- Minimum interest rate: 9.75%
- Maximum interest rate: 12.18%
- Weighted Average Rate (WAR): 10.32 %

1.2.3 Monthly Movement of Turnover and WAR

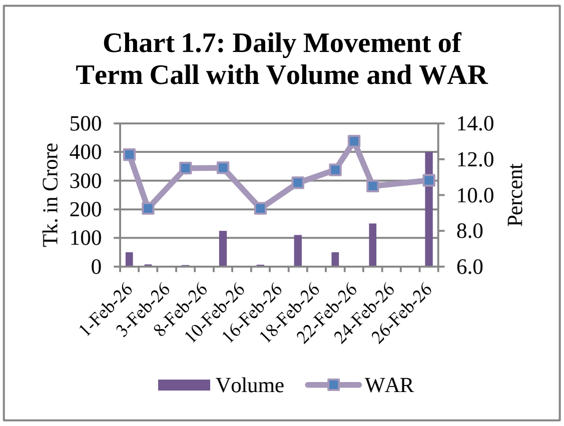




- The turnover of short notice call money in February 2026 declined by Tk. 2,136.37 crore or 22.54 percent compared to the same period of the previous year.
- In terms of interest rates, the weighted average rate (WAR) was 78 basis points lower than that of the previous year.

1.3 Call Money (Term)

Term call money refers to call money with maturities ranging from 15 to 364 days.



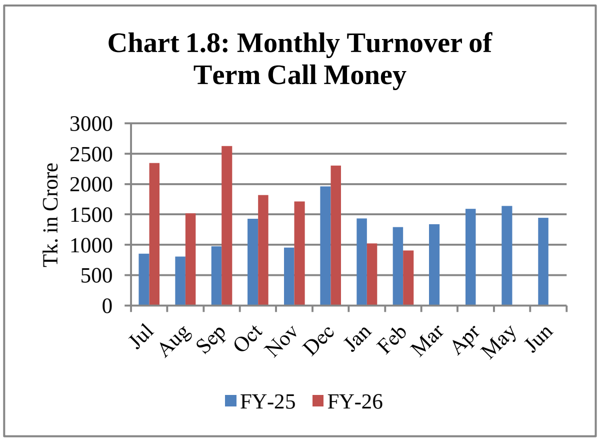
1.3.1 Total Turnover

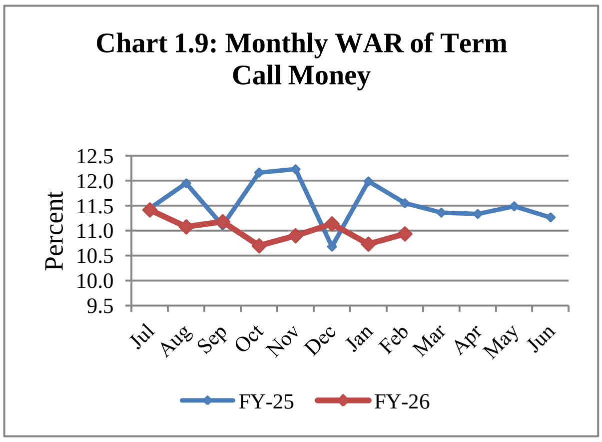
The turnover of term call money stood at Tk. 905.55 crore in February 2026, representing a decrease of Tk. 118.85 crore or 11.60 percent compared to the previous month.

1.3.2: Interest Rates:

- Minimum interest rate: 9.25%
- Maximum interest rate: 13.00%
- Weighted Average Rate (WAR): 10.94%

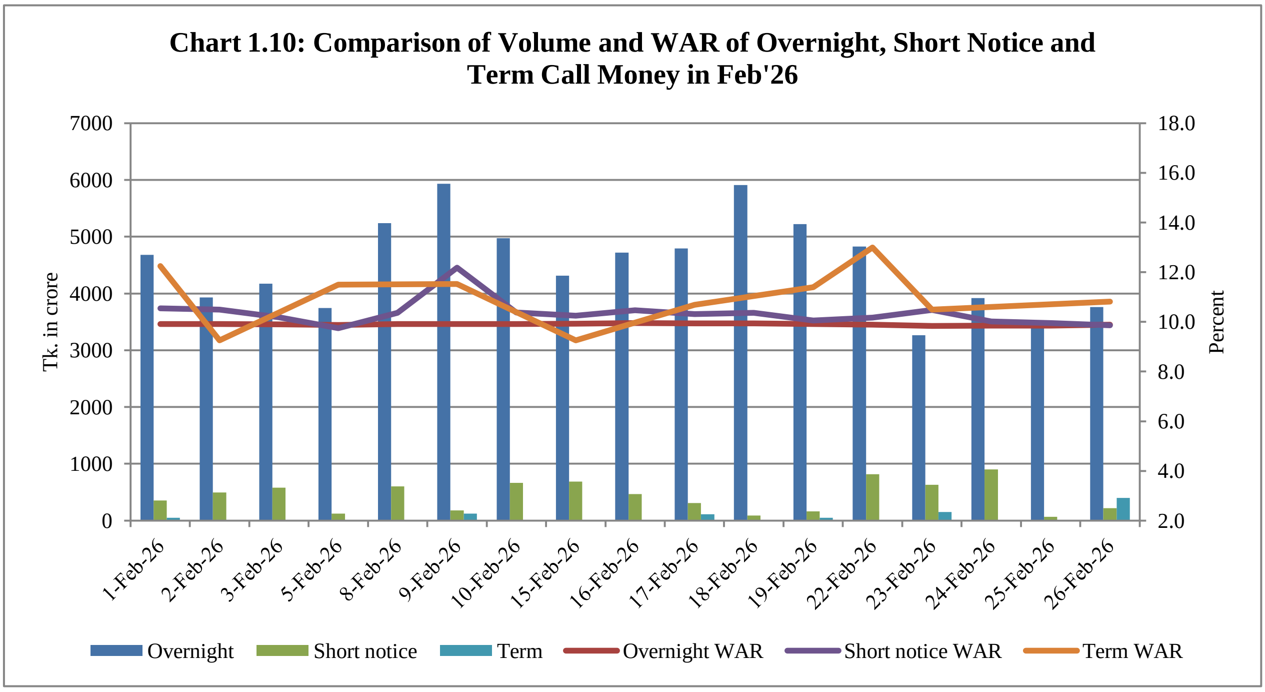
1.3.3 Monthly Movement of Turnover and WAR





- The total turnover of term call money in February 2026 declined by Tk. 383.95 crore or 29.78 percent compared to the same period of the previous year.
- In terms of interest rates, the weighted average rate (WAR) was 61 basis points lower than that of the same period of the previous year.

1.4 All Type of Call Money



Overnight call money dominated the call money market, accounting for 90.30 percent of total transactions. In terms of interest rate volatility, the coefficient of variation (CV) for overnight, short notice, and term call money was 0.3 percent, 5.1 percent, and 10.8 percent, respectively, indicating that the overnight call money rate was significantly less volatile compared to short notice and term call rates in February 2026.

2. Interbank Repo

Interbank repo refers to collateralized borrowings between commercial banks with maturities ranging from overnight up to 7 days.

2.1 Interbank Repo (Overnight)

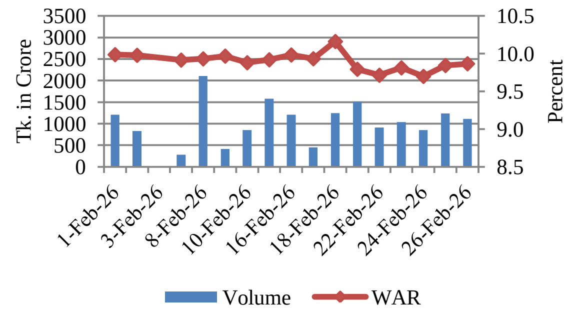
2.1.1 Total Turnover

The overnight interbank repo turnover stood at Tk. 16,821.09 crore, representing a decrease of Tk. 9,813.93 crore or 36.85 percent compared to the previous month.

2.1.2 Interest Rates

- Minimum interest rate: 9.70%
- Maximum interest rate: 10.16%
- Weighted Average Rate (WAR): 9.90%

Chart 2.1: Daily Movement of Overnight Interbank Repo with Volume and WAR



2.1.3 Monthly Movement of Turnover and WAR

Chart 2.2: Monthly Turnover of 1 day Interbank Repo

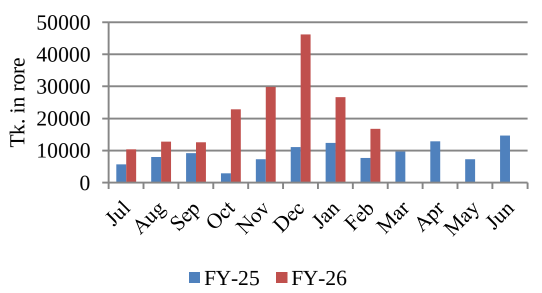
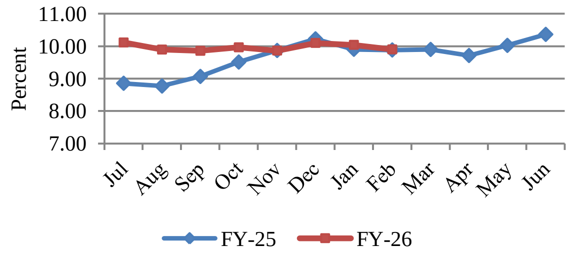


Chart 2.3Monthly WAR of 1 day Interbank Repo



- The total turnover of overnight interbank repo in February 2026 increased by Tk. 9,165.24 crore or 119.72 percent compared to the same period of the previous year.
- In terms of interest rates, the weighted average rate (WAR) was 2 basis points higher than that of the same period of the previous year.

2.2 Interbank Repo (7 days)

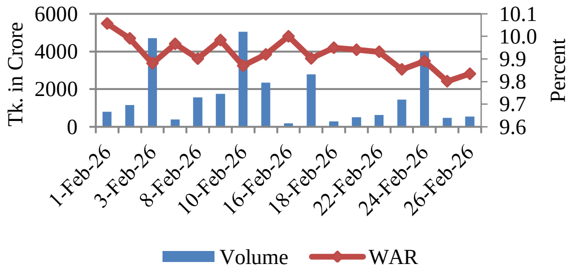
2.2.1 Total Turnover

The total turnover stood at Tk. 28,571.95 crore, marking an increase of Tk. 10,601.46 crore or 58.99 percent compared to the preceding month.

2.2.2 Interest Rates

- Minimum interest rate: 9.80%
- Maximum interest rate: 10.06%
- Weighted Average Rate (WAR): 9.90 %

Chart 2.4: Daily Movement of Interbank Repo (7 days) with Volume and WAR



2.2.3 Monthly Movement of Turnover and WAR

Chart 2.5: Monthly Turnover of 7 days Interbank Repo

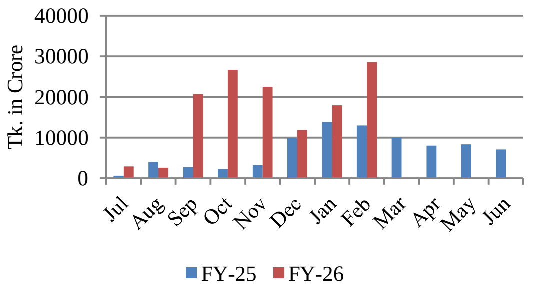
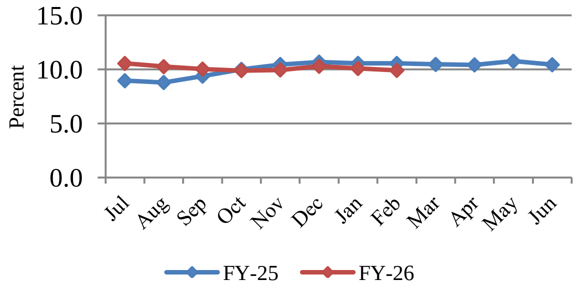


Chart 2.6: MonthlyWAR of 7 days Interbank Repo

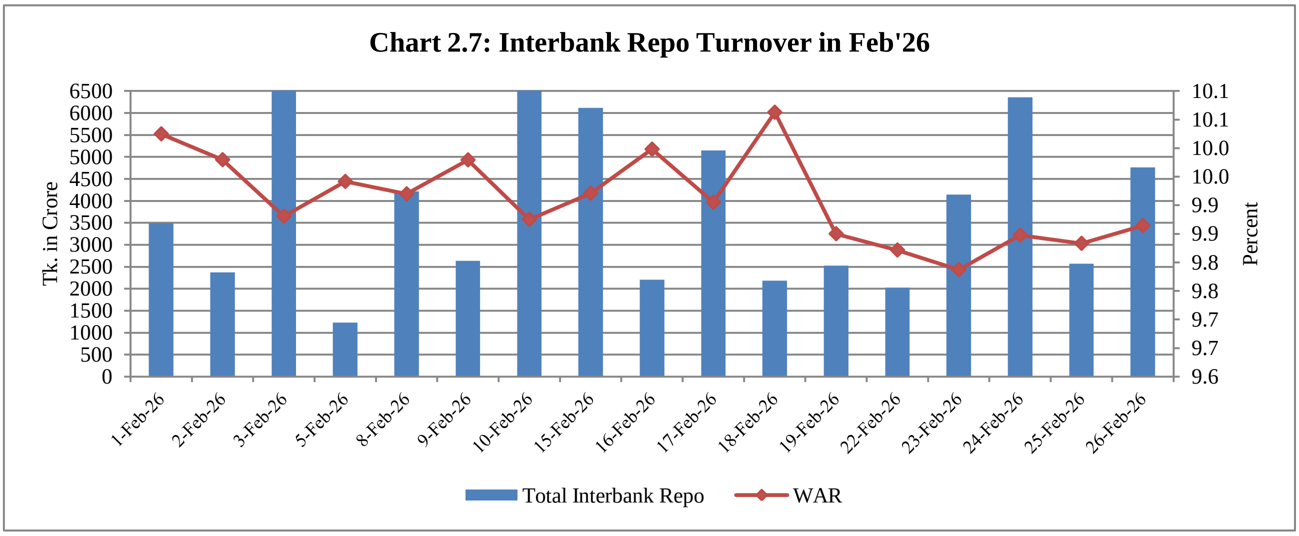


- The total turnover of 7 days interbank repo in February 2026 increased by Tk. 15,568.81 crore or 119.73 percent compared to the same period of the previous year.
- In terms of interest rates, the weighted average rate was 65 basis points lower than that of the same period of the previous year.

2.3 Interest Rate Volatility

Among interbank repo tenures ranging from overnight to 7 days, the 5 days repo exhibited the least interest rate volatility with a coefficient of variation (CV) of 0.4 percent, while the 3 days repo showed the highest volatility with a CV of 1.3 percent in February 2026.

2.4 Overall Interbank Repo



- The total turnover of interbank repo in February 2026 stood at Tk. 65,850.69 crore, reflecting an increase of Tk. 3,279.04 crore or 5.24 percent compared to the previous month.
- The 7 days repo dominated the market, accounting for 43.39 percent of the total turnover.
- The shares of other tenures in total interbank repo turnover were: Overnight 25.54 percent, 2 days 7.48 percent, 3 days 6.98 percent, 4 days 5.24 percent, 5 days 4.51 percent, and 6 days 6.85 percent.

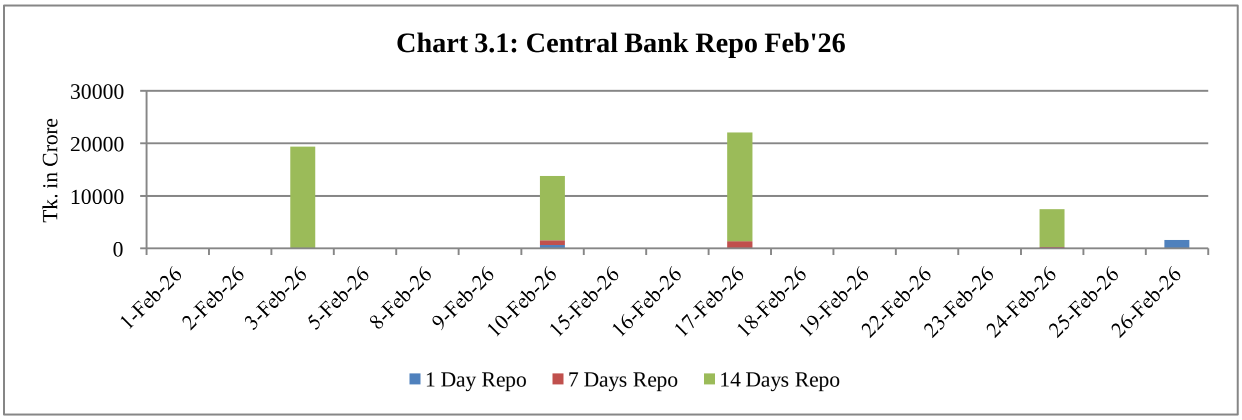
3. Central Bank Repo

3.1 Total Turnover

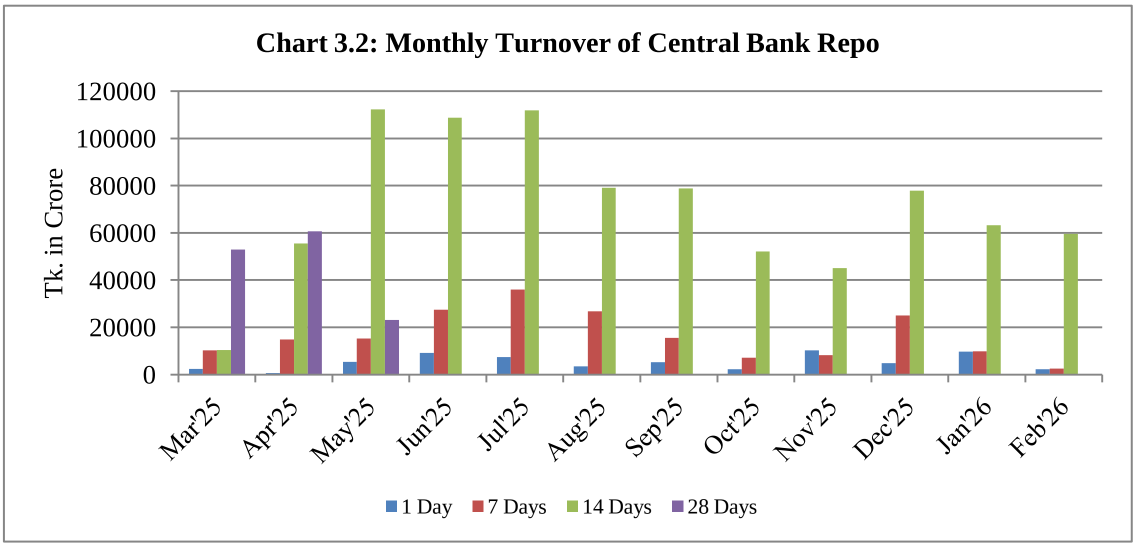
The total central bank repo amount stood at Tk. 64,421.62 crore, representing a decline of Tk.18,330.94 crore or 22.15 percent compared to the previous month**.**

3.1.1 Tenure wise Turnover (Proportion)

- Overnight: BDT 2,305.16 crore (3.58%)
- 7 days: BDT 2,544.93 crore (3.95%)
- 14 days: BDT 59,571.53 crore (92.47%)



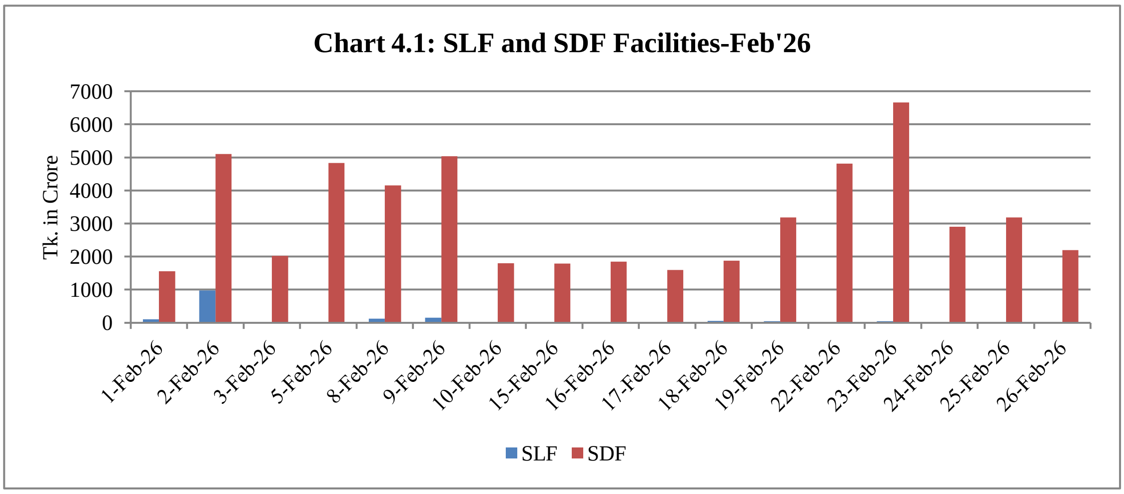
3.2 Monthly Movement of CB Repo Turnover



- Among central bank repos, the 14 days maturity dominated other tenures. As part of the modernization of the monetary policy framework, the 28 days central bank repo has been suspended since 10th April 2025.

4. Standing Facilities

Standing facilities include the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) provided by Bangladesh Bank.



4.1 Total Turnover

- In February 2026, commercial banks accessed Tk. 1,488.69 crore through the Standing Lending Facility (SLF), down by Tk. 3,766.05 crore or 71.67 percent from the previous month.
- The Standing Deposit Facility (SDF) was used for Tk. 54,549.59 crore, marking a decrease of Tk. 38,243.91 crore or 41.21 percent compared to the preceding month.

4.2 Monthly Movement of Using SLF and SDF by Commercial Banks

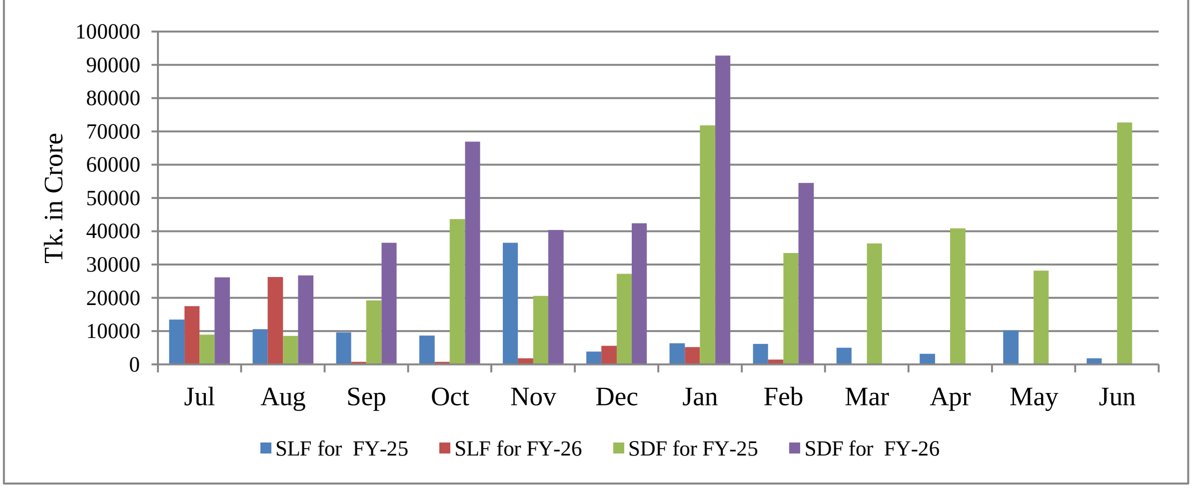


Chart 4.2: Monthly Turnover of SLF & SDF

- The use of the SLF facility by commercial banks from the central bank declined by 76.11 percent compared to the same period of the previous year.
- In contrast, utilization of the SDF facility by commercial banks rose by 62.87 percent compared to the corresponding period of the previous year.

5. Special Liquidity Facilities

- Bangladesh Bank also provides some special liquidity facilities to the banking system through AR, LSR, IBLF, MLS, and SLS.
- In February 2026, a total of Tk. 25,618.30 crore was provided through AR, IBLF, SLS, and CM repo, representing a decrease of Tk. 3,080.77 crore or 10.73 percent compared to the previous month.

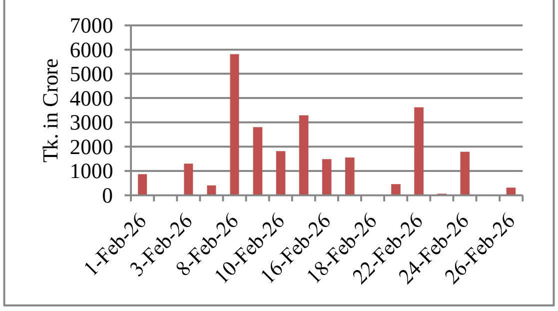
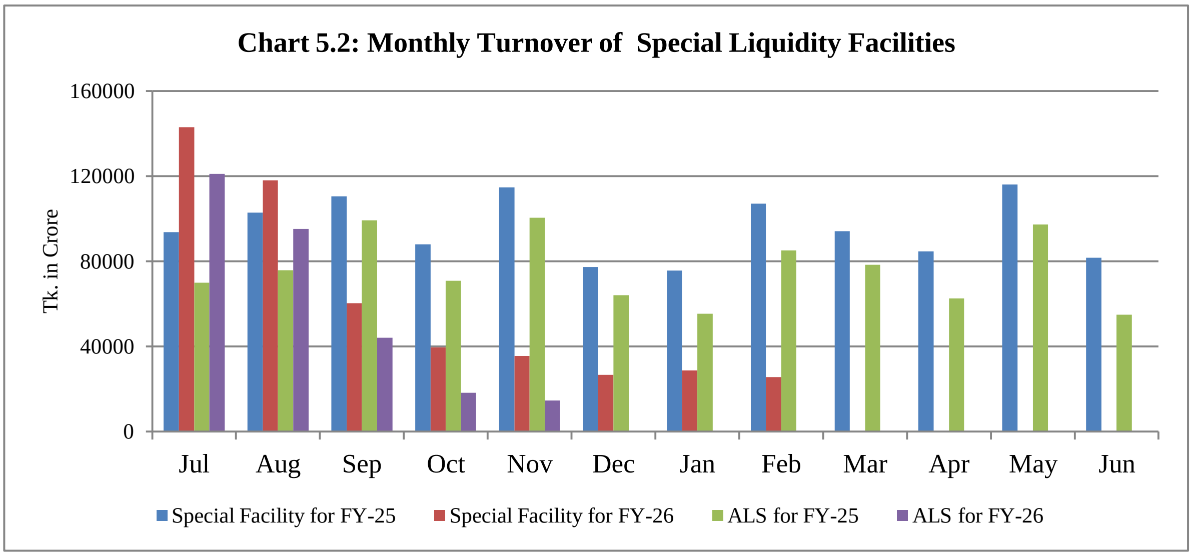


Chart 5.1: Special Liquidity Support-Feb'26

5.1 Monthly Movement of Special Liquidity Facilities and ALS Turnover



- The use of special liquidity facilities by commercial banks declined by 76.07 percent compared to the same period of the previous year.
- As part of the modernization of the monetary policy framework, the ALS for PDs has been suspended since 1st December 2025.

6. Bangladesh Bank (BB) Bill

Bangladesh Bank did not conduct any Bangladesh Bank (BB) bill auctions in February 2026.

7. Government Treasury Bills

There were four auctions held in February 2026, resulting in a total issuance of Tk. 30,000 crore which was Tk. 2000.00 crore (6.25 percent) lower than that of previous month.

- The cut-off rate of the 91 days Treasury Bills showed a steady decline during the period. It decreased by 16 basis points in the second auction, followed by a 13 basis point decline in the third auction and a further 9 basis point drop in the final auction.
- The cut-off rate of the 182 days Treasury Bills gradually declined over the period. It fell by 6 basis points in the second auction, another 6 basis points in the third auction, and 11 basis points in the final auction.

Chart 7.1: Treasury Bills Auctions in Feb'26

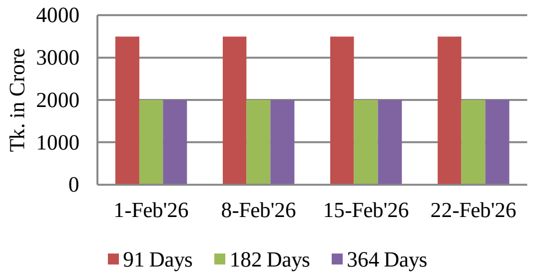
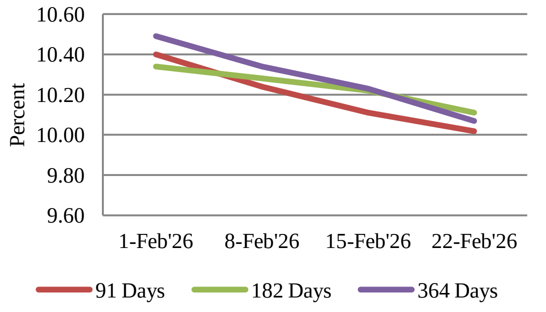


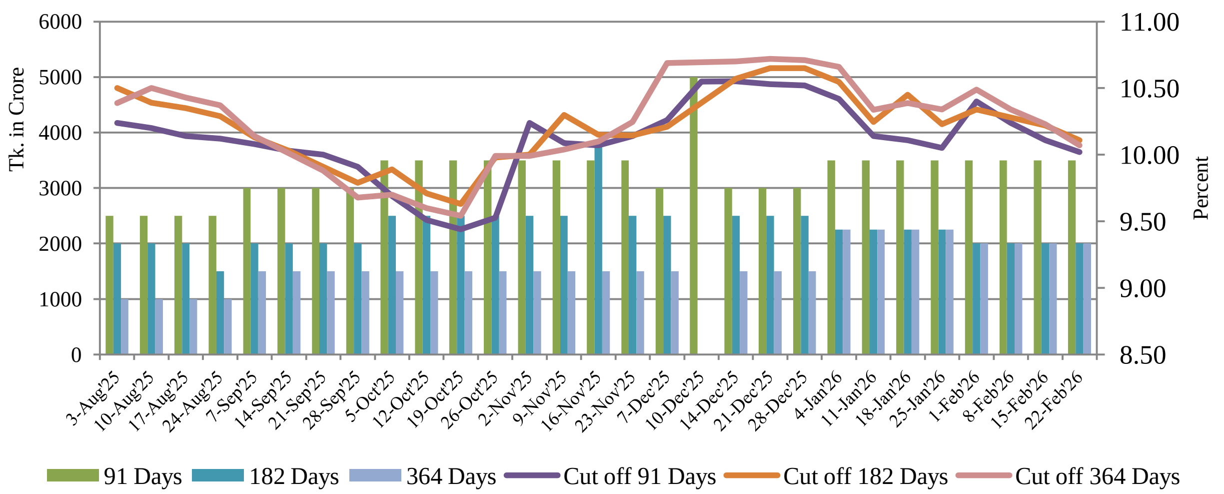
Chart 7.2: Cutt off rates of Treasury Bills in Feb'26



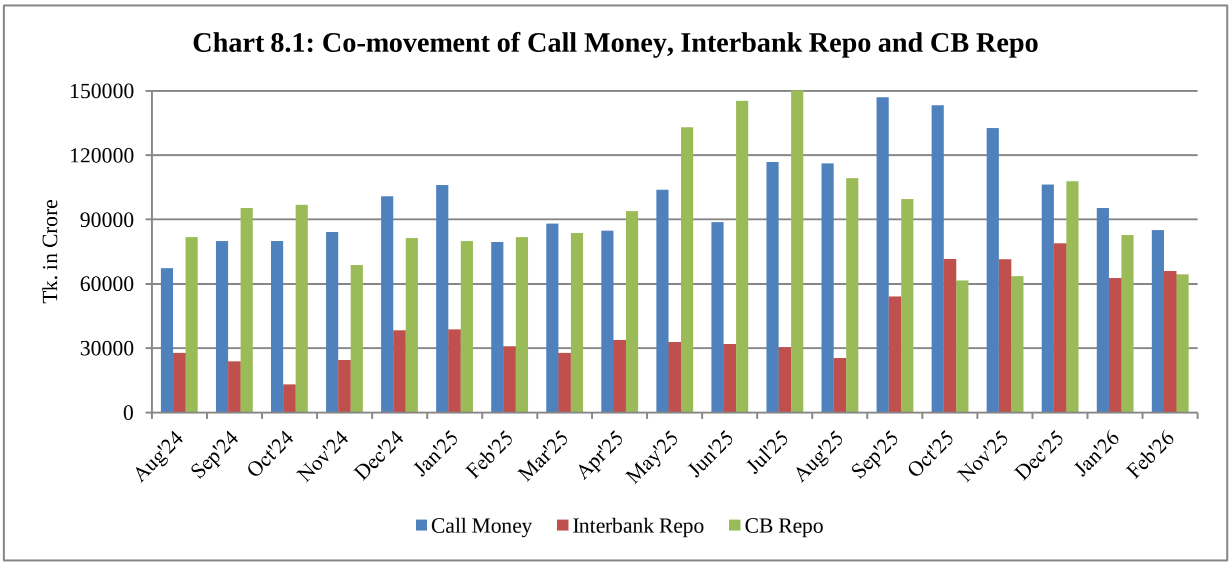
- The cut-off rate of the 364 days Treasury Bills also showed a continuous downward trend. It declined by 15 basis points in the second auction, 11 basis points in the third auction, and 16 basis points in the final auction.
- The total auctioned volume and cutoff rates of all treasury bill types declined compared to the previous month.

7.1 The Trend of Volume and Cut-off Rates Government Treasury Bills over the Last Six Months

Chart 7.3:Movement of Treasury Bills: Face Value and Cut-off Rates



8. Co-movement of Call Money, Interbank Repo and CB Repo



- Call Money shows a rising trend during Aug’24 to Oct’25, reaching the highest level in Sep’25, and then gradually declines thereafter.
- Interbank repo displays a slow but steady upward trend, especially after Aug’25, with a peak around Dec’25, followed by slight decrease.
- CB Repo shows strong fluctuations. It increases sharply during May-July’25, reaches the highest level in mid-2025, and then decreases toward early 2026.

Appendix

Table-1: Summary of Money Market Turnover in February 2026

Tk. in Crore

Items	Total	Min.	Max.	Mean	CV	Retirement Amount	Net Position
Money Market							
A. Call Money Transaction	**85063.39**	**3481.15**	**6238.71**	**5003.73**	**16%**	**84813.49**	**249.90**
1. Overnight	76816.14	3263.32	5934.48	4518.60	18%	76514.48	301.66
2. Short notice (2 to 14 days)	7341.70	67.87	900.76	431.86	62%	7395.96	-54.26
3. Term (15 days and above)	905.55	0.40	400.00	90.56	134%	903.05	2.50
B. Interbank Repo Transaction	**65850.69**	**1227.84**	**7110.78**	**3873.57**	**48%**	**60072.19**	**5778.50**
1 days	16821.09	278.96	2103.45	1051.32	44%	17076.72	-255.63
2 days	4922.58	201.45	757.41	546.95	29%	4721.13	201.45
3 days	4596.33	19.13	1316.28	574.54	84%	3539.41	1056.92
4 days	3452.35	151.47	1313.53	493.19	84%	2628.92	823.43
5 days	2973.01	50.83	1172.45	371.63	97%	2528.16	444.84
6 days	4513.38	50.44	970.64	501.49	59%	3688.89	824.49
7 days	28571.95	176.95	5053.79	1680.70	94%	25888.95	2683.00
C. Central Bank Repo	**64421.62**	**1646.91**	**22105.77**	**12884.32**	**65%**	**72873.16**	**-8451.54**
1. Over night	2305.16	658.25	1646.91	1152.58	61%	2947.68	-642.52
2. 7 days	2544.93	297.62	1355.10	848.31	62%	3286.08	-741.15
3. 14 days	59571.53	7177.54	20750.68	14892.88	43%	66639.41	-7067.87
D. Standing Facility	**56038.28**					**56164.10**	**-125.82**
1.SLF	1488.69	46.13	970.54	212.67	158%	1489.18	-0.50
2. SDF	54549.59	1555.06	6663.60	3208.80	50%	54674.91	-125.32
E. Special Liquidity Facilities	**25618.30**					**30230.04**	**-4611.74**
1. AR	7715.38	323.99	2088.96	964.42	64%	12516.52	-4801.14
2. CM Repo	556.00	130.00	284.00	185.33	46%	263.05	292.95
3. LSR	0.00	0.00	0.00	0.00		0.00	0.00
4. IBLF	15136.00	25.00	3727.00	1009.07	99%	15160.05	-24.05
5. MLS	0.00	0.00	0.00	0.00		0.00	0.00
6. SLS	2210.91	591.27	1619.65	1105.46	66%	2290.42	-79.51
F. Bangladesh Bank Bill	-	-	-	-	-		-
G. Government Treasury Bills	**30000.00**					**28776.64**	**1223.36**
1. 14 days	-	-	-	-	-	0.00	0.00
2. 91 days	14000.00	3500.00	3500.00	3500.00	0%	14000.00	0.00
3. 182 days	8000.00	2000.00	2000.00	2000.00	0%	7500.00	500.00
4. 364 days	8000.00	2000.00	2000.00	2000.00	0%	7276.64	723.36

Sources: Bangladesh Bank

Note: SLF= Standing Lending Facility, SDF = Standing Deposit Facility, AR = Assured Repo, CMR = Capital Market Repo, LSR = Liquidity Support against claims of Remittance for Conventional Banks, IBLF Islami Banks Liquidity Facility, MLS = Mudaraba Liquidity Support, SLS = Special Liquidity Support

Table-2: Summary of Money Market Interest Rates in February 2026

Money Market	Min.	Max.	WAR	CV
A. Call Money Transaction	**9.85**	**10.01**	**9.95**	**0.4%**
1. Overnight	9.84	9.95	9.90	0.3%
2. Short notice (2 to 14 days)	9.75	12.18	10.32	5.1%
3. Term (15 days and above)	9.25	13.00	10.94	10.8%
B. Interbank Repo Transaction	**9.79**	**10.06**	**9.90**	**0.8%**
1 days	9.70	10.16	9.90	1.2%
2 days	9.81	10.08	9.93	0.9%
3 days	9.65	10.10	9.86	1.3%
4 days	9.80	10.00	9.91	0.7%
5 days	9.80	9.91	9.86	0.4%
6 days	9.75	9.97	9.89	0.7%
7 days	9.80	10.06	9.90	0.7%
C. Central Bank Repo	**10.00**	**10.00**		
1. Over night	10.00	10.00	10.00	0.0%
2. 7 days	10.00	10.00	10.00	0.0%
3. 14 days	10.00	10.00	10.00	0.0%
4. 28 days				
D. Standing Facility				
1.SLF	11.50	11.50	11.50	0.0%
2. SDF	7.50	8.00		0.0%
E. Special Liquidity Facilities				
1. AR	10.00	10.00	10.00	0.0%
2. CM Repo	4.75	4.75	4.75	0.0%
3. LSR				
4. IBLF				
5. MLS				
6. SLS				
F. Bangladesh Bank Bill				
G. Government Treasury Bills				
1. 14 days				
2. 91 days	10.00	10.18	10.11	0.9%
3. 182 days	10.07	10.25	10.19	0.8%
4. 364 days	10.05	10.38	10.24	1.4%

Sources: Bangladesh Bank.

Note: SLF= Standing Lending Facility, SDF = Standing Deposit Facility, AR = Assured Repo, CMR = Capital Market Repo, LSR = Liquidity Support against claims of Remittance for Conventional Banks, IBLF Islami Banks Liquidity Facility, MLS = Mudaraba Liquidity Support, SLS = Special Liquidity Support

Table-3: Movements of Money Market Dynamics

TK. in Crore

Month	Call money							Interbank Repo		CB Repo	Standing Facilities		Special Liquidity facilities	
	Overnight		Short Notice		Term Call		Total	Turnover	WAR		SLF	SDF	Total	ALS
	Turnover	WAR	Turnover	WAR	Turnover	WAR								
Jul-24	78949.41	8.86	9995.52	10.08	854.00	11.45	89798.93	22738.42	8.63	96387.00	13528.33	9020.00	93673.57	69954.81
Aug-24	60638.16	8.78	5736.35	10.15	806.63	11.95	67181.14	27877.71	8.62	81667.84	10598.92	8567.10	102865.59	75870.37
Sep-24	72051.14	9.14	6875.10	10.78	973.00	11.11	79899.24	23813.51	9.27	95405.45	9679.05	19246.54	110544.78	99285.86
Oct-24	72056.32	9.66	6540.81	10.95	1426.48	12.17	80023.61	13031.86	9.71	96949.55	8705.71	43656.54	87978.30	70804.57
Nov-24	75643.85	9.99	7731.50	11.12	952.56	12.23	84327.91	24414.83	10.18	68853.00	36600.20	20574.00	114790.95	100557.07
Dec-24	88454.21	10.07	10445.75	11.36	1958.34	10.68	100858.30	38307.43	10.36	81207.05	3898.12	27279.13	77326.37	64110.62
Jan-25	91686.98	10.08	13160.03	11.46	1434.45	11.99	106281.46	38673.42	10.15	79920.03	6362.76	71875.51	75657.63	55390.52
Feb-25	68835.22	10.04	9478.07	11.10	1289.50	11.55	79602.79	30883.63	10.21	81660.02	6230.90	33491.75	107071.11	85213.23
Mar-25	74253.82	10.01	12337.40	10.80	1338.00	11.36	87929.22	27904.56	10.15	83757.33	5017.45	36364.22	94216.38	78363.33
Apr-25	72891.38	9.93	10390.25	10.80	1590.08	11.34	84871.71	33828.22	9.95	93999.05	3213.41	40921.72	84636.70	62644.47
May-25	90662.42	10.06	11678.49	10.85	1641.29	11.49	103982.20	32839.27	10.39	133094.37	10266.64	28222.05	116180.17	97283.51
Jun-25	74395.00	10.14	12953.00	11.26	1442.00	11.27	88790.00	31941.00	10.37	145396.00	1890.00	72730.00	81745.00	54930.00
Jul-25	99173.88	10.03	15335.00	10.67	2343.25	11.42	116852.13	30332.71	10.27	155320.10	17565.51	26146.90	142988.51	121134.43
Aug-25	101693.40	9.98	12912.76	10.44	1518.85	11.08	116125.01	25324.96	10.01	109350.90	26331.76	26765.10	118010.15	95287.45
Sep-25	128498.90	9.97	15881.43	10.38	2626.65	11.18	147006.98	54131.77	9.94	99568.33	849.64	36532.84	60331.60	44040.01
Oct-25	121987.60	9.74	19463.31	10.13	1820.32	10.70	143271.23	71785.15	9.88	61577.95	850.10	66955.03	39605.56	18186.31
Nov-25	109706.02	9.79	21312.51	10.04	1711.39	10.90	132729.92	71433.69	9.89	63549.43	1903.54	40428.37	35472.51	14627.46
Dec-25	90243.20	9.99	13706.32	10.30	2302.60	11.14	106252.12	78949.95	10.14	107811.65	5655.92	42414.91	26681.23	0.00
Jan-26	83437.80	9.94	10987.38	10.33	1024.40	10.73	95449.58	62571.66	10.04	82752.56	5254.74	92793.50	28699.07	0.00
Feb-26	76816.14	9.90	7341.70	10.32	905.55	10.94	85063.39	65850.69	9.90	64421.62	1488.69	54549.59	25618.30	0.00

Sources: Bangladesh Bank