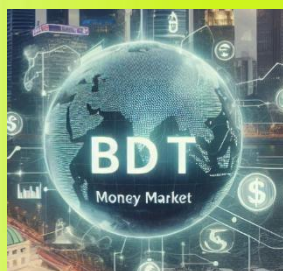


Volume-3/2025



May 2025

Money Market Dynamics



**Monetary Policy Department
Bangladesh Bank**

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Executive Summary

Call Money

The turnover of call money was **BDT 1,03,982.20 crore** in May'25 which was **22.52%** higher than that of the preceding month. In call money transaction about **87%** was overnight, around **11%** was short notice and around **2%** was term call money. The weighted average rate (WAR) of call money was **10.17%** which was **10** basis points higher than that of the previous month.

Interbank Repo

The turnover of interbank repo was **BDT 32,839.27 crore** in May'25 which was **2.92%** lower than that of the previous month. In case of interbank repo, 7 days tenure was highest which was about **25%** and it was **24%** in the previous month. The second highest was overnight tenure which was around **22%** and it was **38%** in the previous month. The WAR of interbank repo was **10.39%** in May'25 which was **44** basis points higher than that of the previous month.

Central Bank Repo

The turnover of central bank repo in May'25 was **BDT 1,33,094.37 crore** of which around **84%** was 14 days maturity. This turnover was around **42%** higher than that of the previous month.

Standing Facilities

In case of standing lending facility, commercial bank got **BDT 10,266.64 crore** of SLF and used **BDT 28,222.05 crore** of SDF facilities.

Special Liquidity Facilities

Banking system got **BDT 1,16,180.17 crore** special liquidity facilities in May'25 of which around **84%** was ALS for PD.

Bangladesh Bank Bills

Bangladesh Bank (BB) Bills have significant impact on the money market. Bangladesh Bank issued **BDT 100.00 crore** BB Bills (90 days) in May'25 at a cut off rate of **11.77%**. This cut off rate was higher than that of the previous month.

Government Treasury Bills

The total amount of **BDT 30,000.00 crore** of Govt. T.Bills was issued in May'25. The highest WAR of 91 days, 182 days and 364 days were **11.61%**, **11.75%** and **11.78 %** respectively.

Summary of Money Market Dynamics (Turnover), May 2025

Money Market	Amount in BDT crore						
	Total	Min.	Max.	Mean	CV	Retirement Amount	Net Position
A. Call Money Transaction	103982.20	2775.86	7485.52	4951.53	27%	106621.33	-2639.13
1. Overnight	90662.42	2510.86	6452.22	4317.26	28%	93593.84	-2931.42
2. Short notice (2 to 14 days)	11678.49	79.35	2277.00	556.12	96%	11421.84	256.65
3. Term (15 days and above)	1641.29	9.64	367.90	117.24	96%	1605.65	35.64
B. Interbank Repo Transaction	32839.27	288.06	3535.93	1563.77	52%	37714.59	-4875.32
1 days	7310.02	48.81	829.15	406.11	66%	10565.31	-3255.28
2 days	5891.41	50.44	1248.82	490.95	71%	5891.41	0.00
3 days	3319.42	48.91	711.08	368.82	62%	3027.99	291.43
4 days	2656.53	96.93	694.61	332.07	66%	2297.85	358.68
5 days	2153.79	29.17	544.91	215.38	82%	3722.02	-1568.23
6 days	3151.74	30.67	1480.00	286.52	143%	3114.91	36.83
7 days	8356.37	48.89	1427.44	491.55	94%	9095.12	-738.76
C. Central Bank Repo	133094.37	1903.67	37493.21	22182.39	70%	124493.60	8600.77
1. Over night	5419.39	1903.67	3515.72	2709.69	42%	3739.61	1679.77
2. 7 days	15310.94	2367.91	5957.67	3827.73	40%	13123.80	2187.14
3. 14 days	112364.04	24567.99	33643.54	28091.01	14%	84393.34	27970.71
4. 28 days	0.00	0.00	0.00	0.00	0%	23236.85	-23236.85
D. Standing Facility	38488.69						
1. SLF	10266.64	20.88	2176.10	684.44	123%	10270.48	-3.84
2. SDF	28222.05	330.00	5755.00	1343.91	94%	30357.34	-2135.29
E. Special Liquidity Facilities	116180.17					109886.29	6293.89
1. ALS	97283.51	782.85	7602.16	4632.55	44%	92650.35	4633.16
2. AR	4078.66	319.17	2301.31	1019.66	91%	4586.39	-507.73
3. CM Repo	428.00	57.00	187.00	142.67	52%	0.00	428.00
4. LSR	0.00	0.00	0.00	0.00		0.00	0.00
5. IBLF	14390.00	55.00	4923.00	846.47	132%	12649.55	1740.45
6. MLS	0.00	0.00	0.00	0.00		0.00	0.00
7. SLS	0.00	0.00	0.00	0.00	0%	0.00	0.00
F. Bangladesh Bank Bill (90 days)	100	100.00	100.00	100.00	0%	0.00	100.00
G. Government Treasury Bills	30000					22245.16	7754.84
1. 91 days	16000	4000	4000	4000	0%	13595.80	2404.20
2. 182 days	8000	2000	2000	2000	0%	4305.70	3694.30
3. 364 days	6000	1500	1500	1500	0%	4343.66	1656.34

Note: SLF= Standing Lending Facility, SDF = Standing Deposit Facility, ALS = Assured Liquidity Support, 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

Summary of Money Market Dynamics (Interest Rates), May 2025

Money Market	Interest rates (Annual)			
	Min.	Max.	WAR	CV
A. Call Money Transaction	9.98	10.46	10.17	1.3%
1. Overnight	9.93	10.23	10.06	0.8%
2. Short notice (2 to 14 days)	9.56	11.79	10.85	4.3%
3. Term (15 days and above)	10.00	12.80	11.49	8.1%
B. Interbank Repo Transaction	9.78	10.91	10.39	2.6%
1 days	9.73	10.25	10.02	1.5%
2 days	9.58	10.75	10.17	3.0%
3 days	10.00	11.18	10.31	4.0%
4 days	10.00	10.53	10.30	1.8%
5 days	9.97	11.50	10.51	5.3%
6 days	10.38	11.50	10.74	3.7%
7 days	10.34	11.50	10.75	3.9%
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%
D. Standing Facility				
1. SLF	11.50	11.50	11.50	0.0%
2. SDF	8.50	8.50	8.50	0.0%
E. Special Liquidity Facilities				
1. ALS	10.00	10.00	10.00	0.0%
2. AR	10.00	10.00	10.00	0.0%
3. CM Repo	4.75	4.75	4.75	0.0%
4. LSR				
5. IBLF				
6. MLS				
7. SLS				
F. Bangladesh Bank Bill (90 days)	11.77	11.77	11.77	0.0%
G. Government Treasury Bills				
1. 91 days	11.49	11.61	11.54	0.5%
2. 182 days	11.46	11.75	11.62	1.1%
3. 364 days	11.50	11.78	11.62	1.0%

Note: SLF= Standing Lending Facility, SDF = Standing Deposit Facility, ALS = Assured Liquidity Support, 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

Money Market

In any financial system money market plays an important role by facilitating the short-term liquidity requirement for financial institutions as well as government. A well developed money market is not only useful for liquidity management but also it helps to implement the monetary policy, to provide safe investment opportunities, to support banking system stability.

A. Call Money

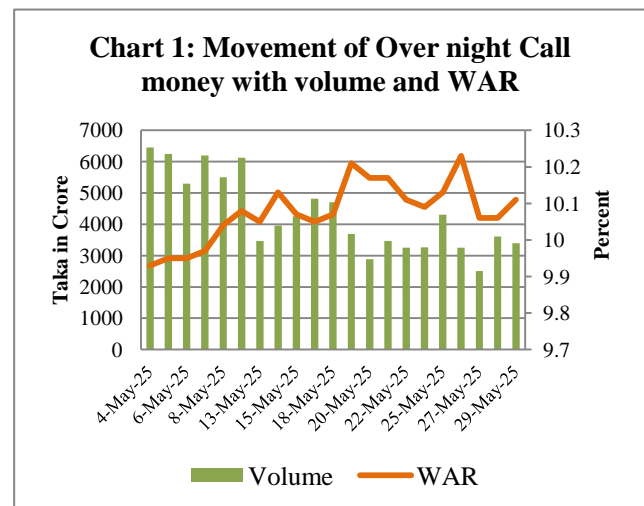
1. Overnight

• Total Turnover:

The total turnover of overnight call money was BDT 90,662.42 crore in May'25, which was BDT 17,771.04 crore (24.38%) higher than that of previous month.

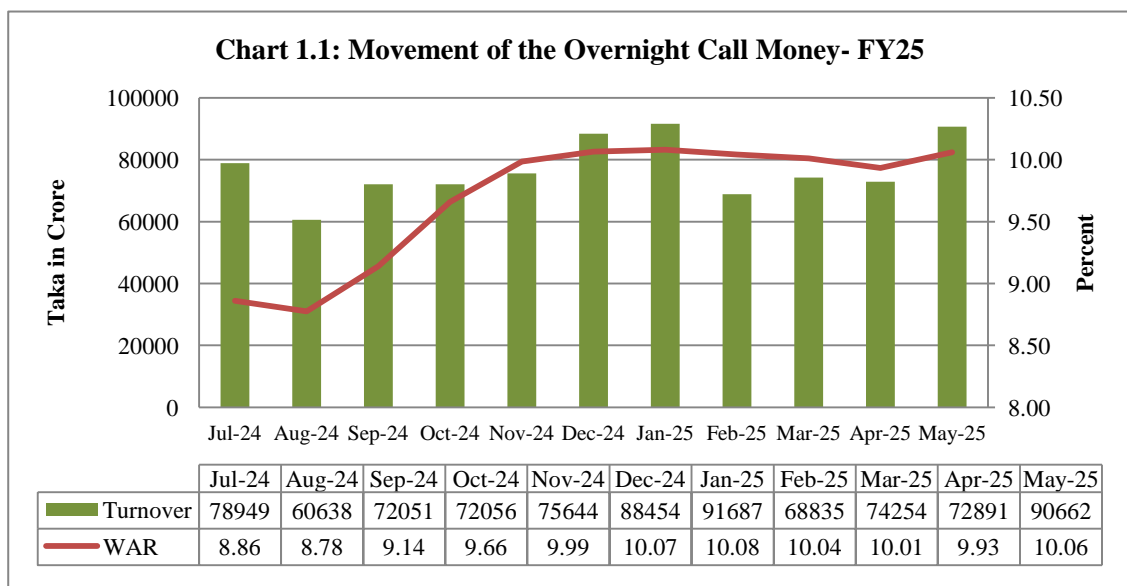
• Interest rates:

- Minimum interest rate: 9.93%
- Maximum interest rate: 10.23%
- Weighted Average Rate (WAR): 10.06%



All of these interest rates are little bit higher than those of the previous month.

The trend of turnover and WAR of overnight call money over FY-25:



2. Short notice

It includes 2 to 14 days maturities call money. The movement of short notice call money as follows:

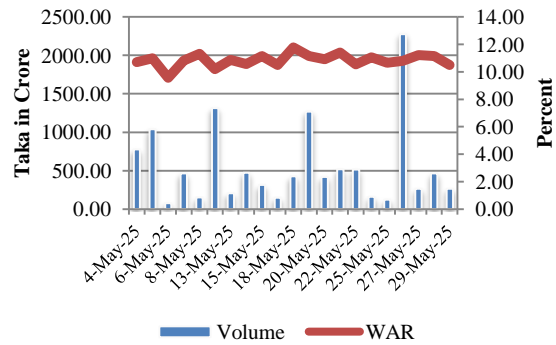
- **Total Turnover:**

The turnover of short notice call money was BDT. 11,678.49 crore in May'25 which was BDT 1,288.24 crore (12.40%) higher than that of previous month.

- **Interest Rates:**

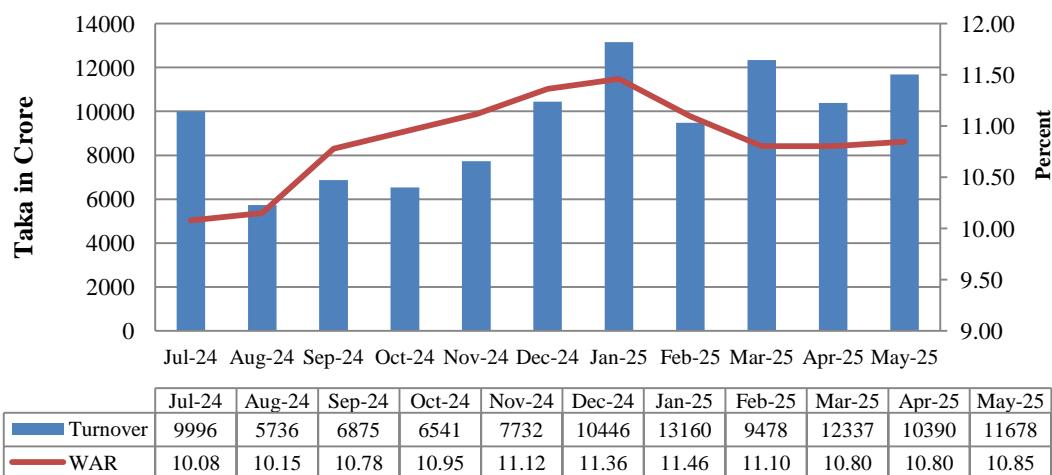
- Minimum interest rate: 9.56%
- Maximum interest rate: 11.79%
- Weighted Average Rate (WAR): 10.85 %

Chart 2: Movement of short notice call money with WAR-May'25



The trend of turnover and WAR of short notice call money over FY-25

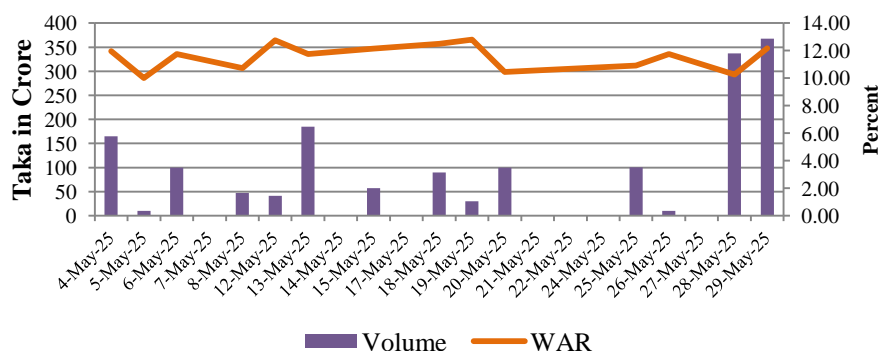
Chart 2.2: Movement of the Short Notice Call Money- FY25



3. Term Call Money

It includes 15 to 364 days duration call money.

Chart 3: Movement of Term call with volume and WAR-May'25



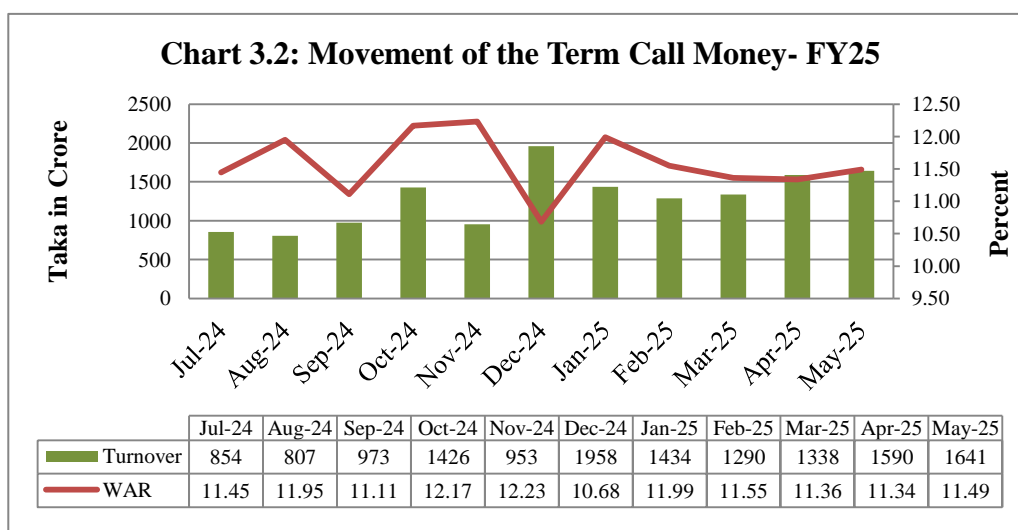
- **Total Turnover:**

The turnover of term call money was BDT 1,641.29 crore in May'25 which was BDT 51.21 core (3.22%) higher than that of previous month.

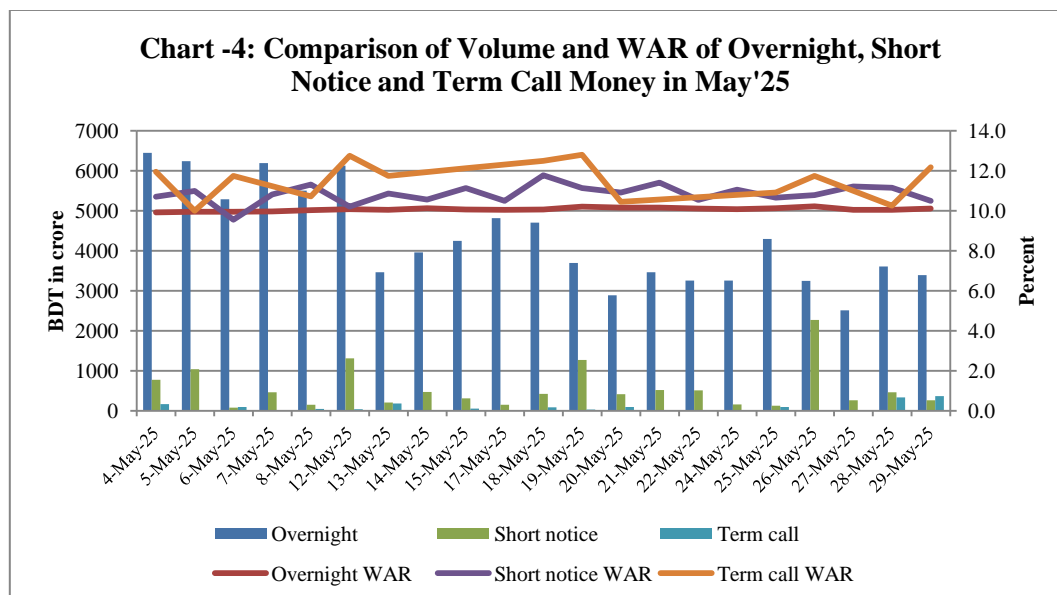
- **Interest Rates:**

- Minimum interest rate: 10.00%
- Maximum interest rate: 12.80%
- Weighted Average Rate (WAR): 11.49%

The trend of turnover and WAR of Term call money over FY-25:



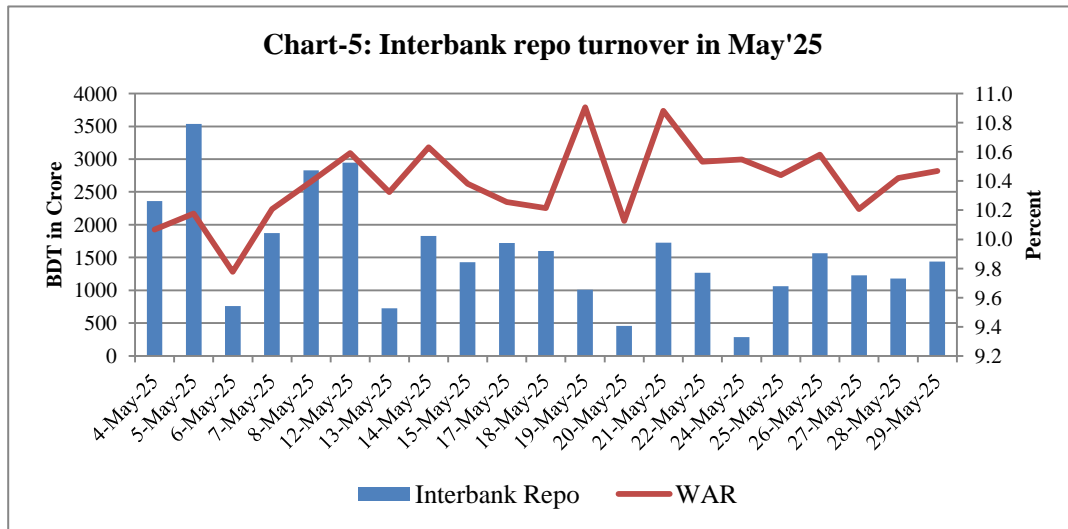
Comparison of all type of call money



Overnight call money has the dominance in call money market. Regarding interest rates the coefficient of variation (CV) of overnight, short notice and term call were 0.8%, 4.3% and 8.1% respectively. So overnight call money rate had less volatility comparing to short notice and term call money rate in May'25.

B. Interbank Repo

It includes overnight to 7 days duration collateral borrowings of commercial banks.



- Total Turnover**

The total turnover of interbank Repo was BDT 32,839.27 crore in May'25 which was BDT 988.96 crore (-2.92%) lower than that of the previous month.

- Among it's total turnover, overnight and 7 days turnover had dominance over other tenure. Overnight repo was 22.26% and 7 days repo was 25.45%
- Interbank repo for two days was 17.94%, three days was 10.11%, four days was 8.09%, five days was 6.56% and six days was 9.60%.

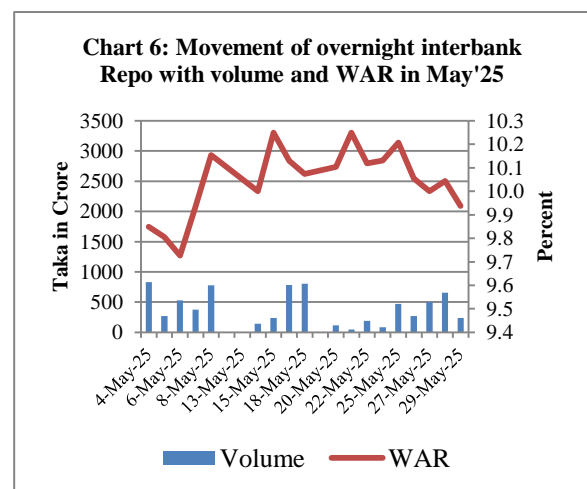
1. Interbank Repo (Overnight)

- Total Turnover :**

The overnight interbank repo turnover was BDT 7,310.02 crore which was BDT 5,536.83 crore (-43.10%) lower than that of previous month.

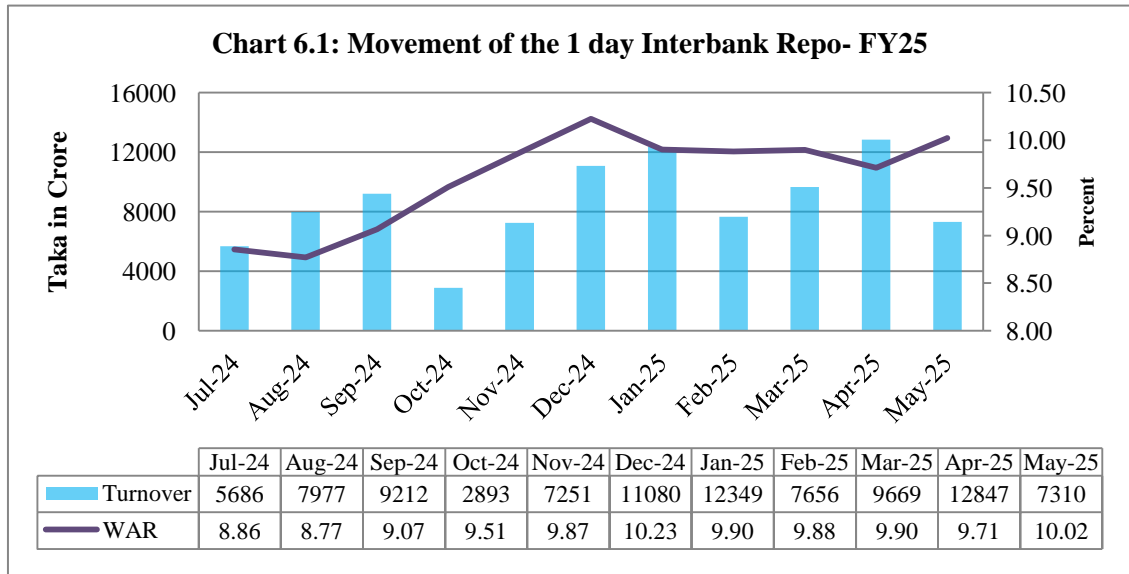
- Interest rates:**

- Minimum interest rate: 9.73%
- Maximum interest rate: 10.25% and
- Weighted Average Rate (WAR): 10.02 %



All of these interest rates were little bit higher than those of the previous month.

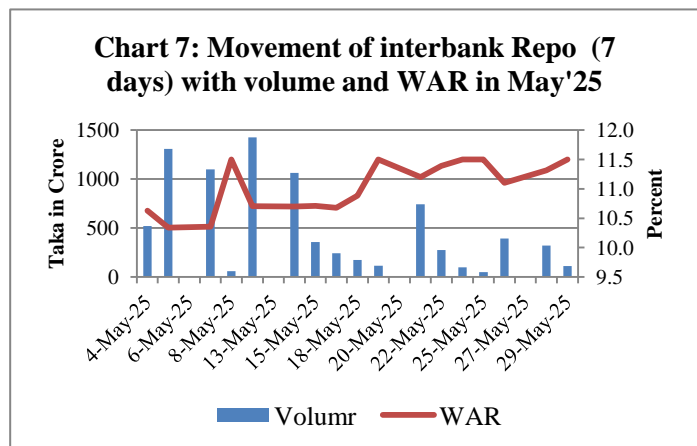
The trend of turnover and WAR of Overnight Interbank Repo over FY-25



2. Interbank repo (7 days)

• Total Turnover:

The total turnover was BDT 8,356.37 crore which was BDT 347.20 crore higher (4.34%) than that of the preceding month.

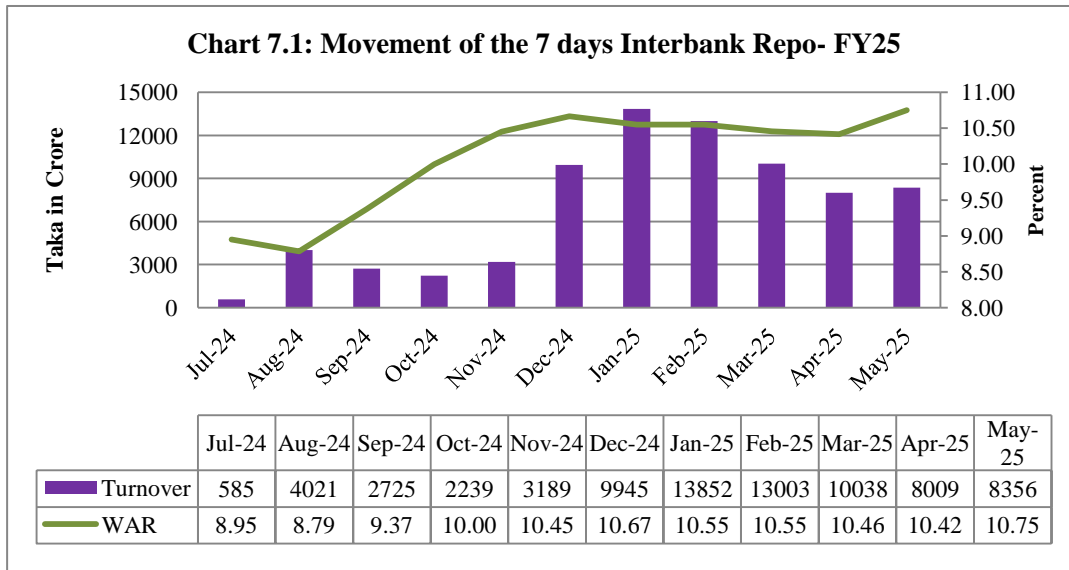


• Interest rates:

- Minimum interest rate: 10.34%
- Maximum interest rate: 11.50%
- Weighted Average Rate (WAR): 10.75 %

All of these interest rates were little bit higher than those of the previous month.

The trend of turnover and WAR of 7 days Interbank Repo over FY-25:



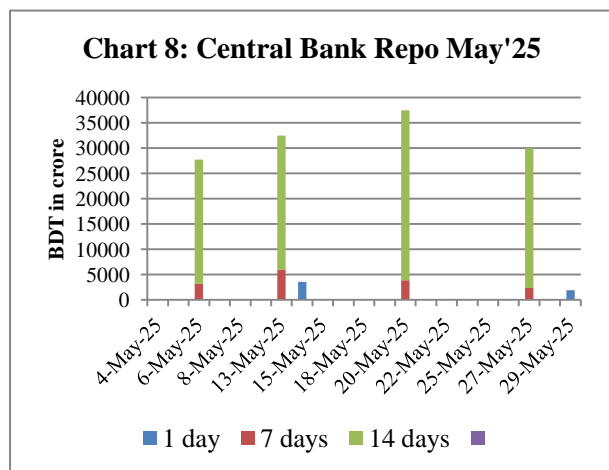
Interest rate volatility:

Five days tenure interbank repo was most volatile with highest CV which is 5.3%. Between overnight and seven days tenure interbank repo, interest of overnight was less volatile where CV of overnight was 1.5% and for seven days it was 3.9% in May'25.

C. Central Bank (CB) Repo

• Total Turnover:

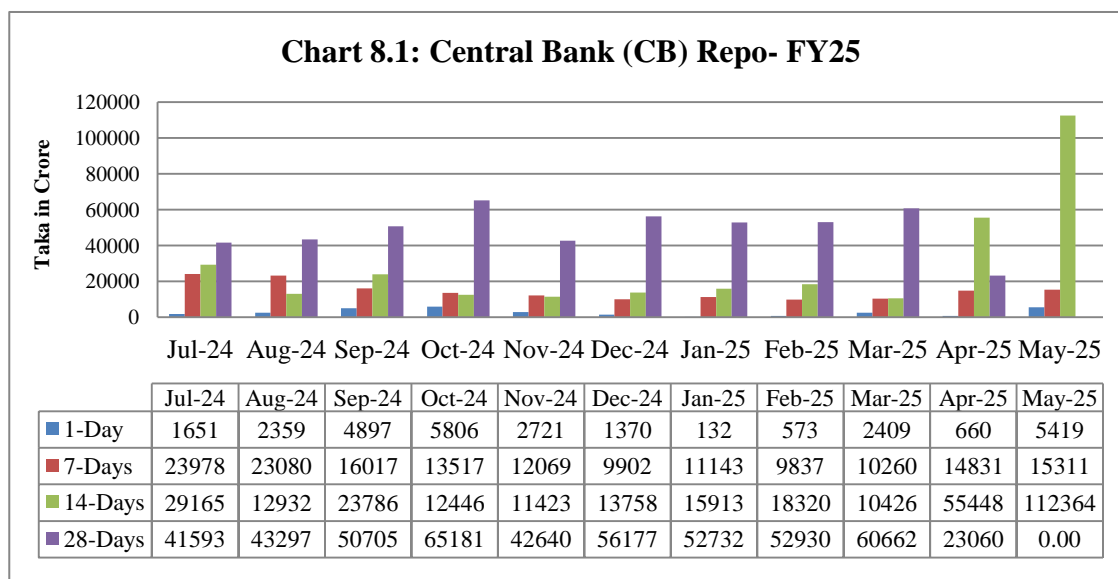
The total amount of central bank repo stood at BDT 1,33,094.37 crore, reflecting an increase of BDT 39,095.32 crore (41.59%) compared to the previous month.



Turnover and proportion of tenure wise CB repo in April-2025:

- Overnight: BDT 5,419.39 crore (4.07%)
- 7 days: BDT 15,310.94 crore (11.50%)
- 14 days: BDT 1,12,364.04 crore (84.43%)

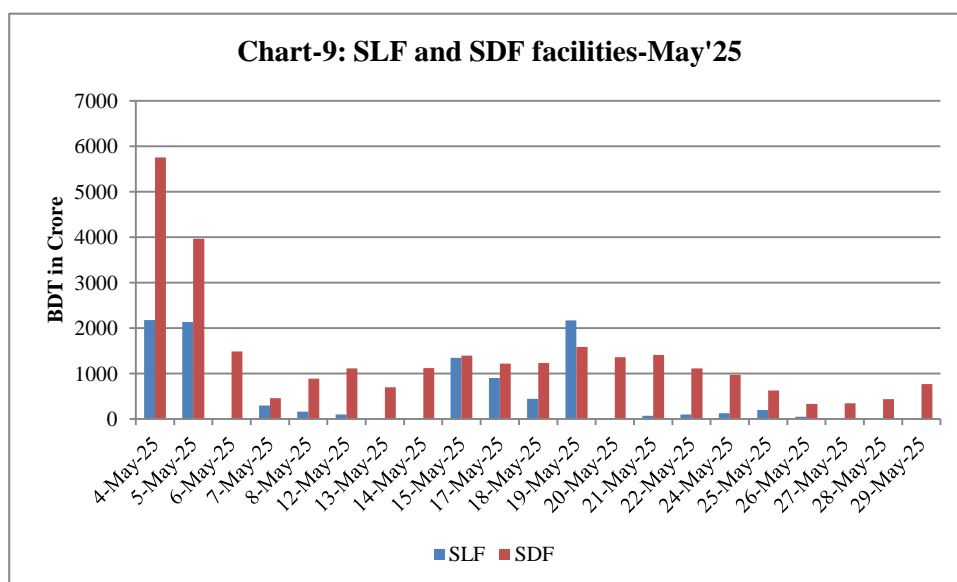
The trend of CB repo turnover over the FY-25:



Among CB repo, 28 days maturity always had dominance over other tenure in the last 9 month of FY-25. But under the modernization of monetary policy framework, 28 days tenure CB repo has been suspended from 10th April 2025.

D. Standing Facility

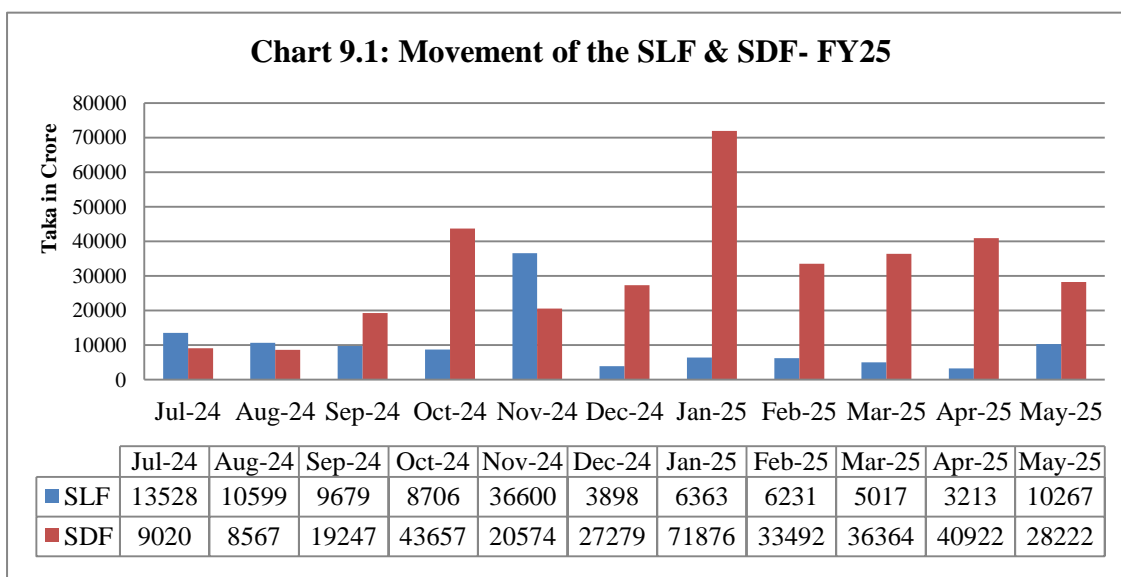
It includes standing lending facility (SLF) and standing deposit facility (SDF) with BB.



- Total Turnover:**

- Commercial banks got BDT 10,266.64 crore SLF in May'25 which was BDT 7,053.23 crore (219.49%) higher than that of previous month.
- Commercial banks used SDF facility for BDT 28,222.05 crore which was BDT 12,699.67 crore lower (-31.03%) than that of the previous month.

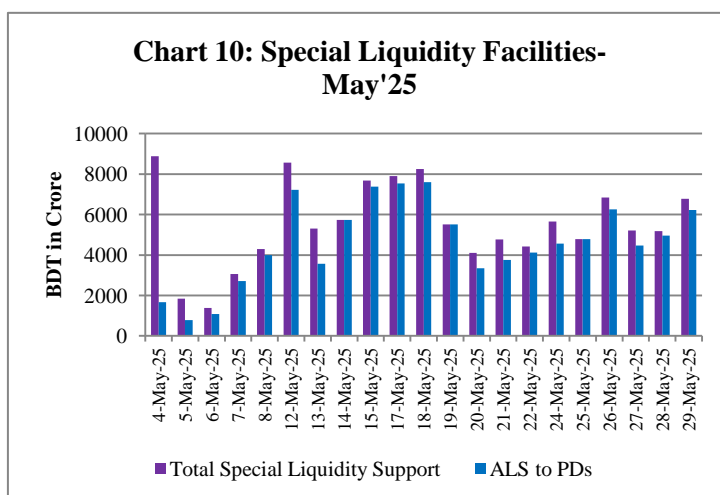
The trend of using SLF and SDF by commercial banks over the FY-25:



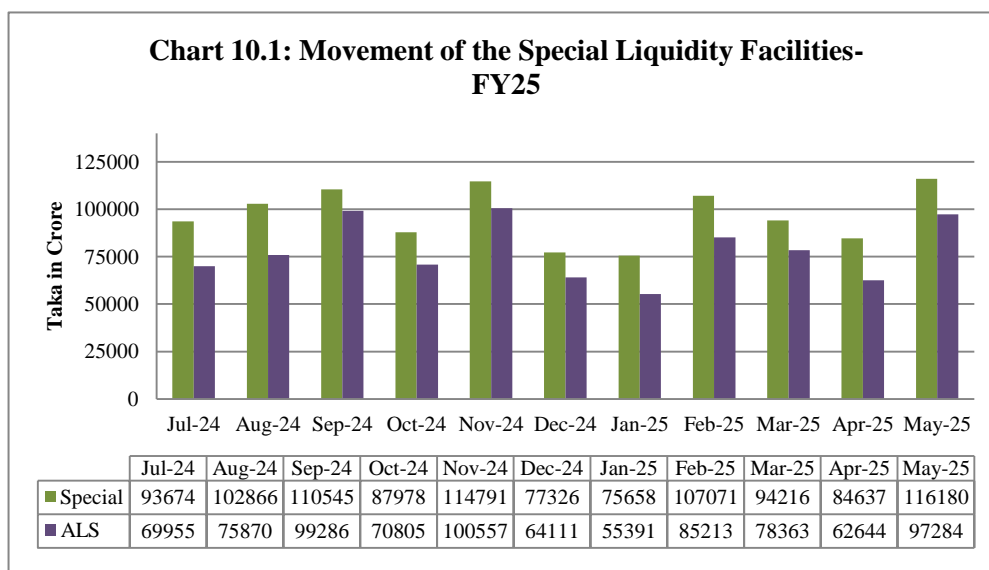
E. Special Liquidity Facilities

Bangladesh Bank also provides some special liquidity facilities to the banking system through ALS for primary dealer (PD), AR, CM Repo, LSR, IBLF, MLS, and SLS.

- The total amount of BDT 1,16,180.17 crore was provided through ALS, IBLF, AR and CM repo to the banking system.
- It was BDT 31,543.47 crore (37.27%) higher than that of the previous month.
- Among the special liquidity facilities, the amount of ALS for PDs was BDT 97,283.51 which was BDT 34,639.04 crore (55.29%) higher than that of previous month. This amount was 83.74% of the total amount and this portion was higher than that of the previous month.



The trend of special liquidity facilities and ALS turnover over the FY-25:

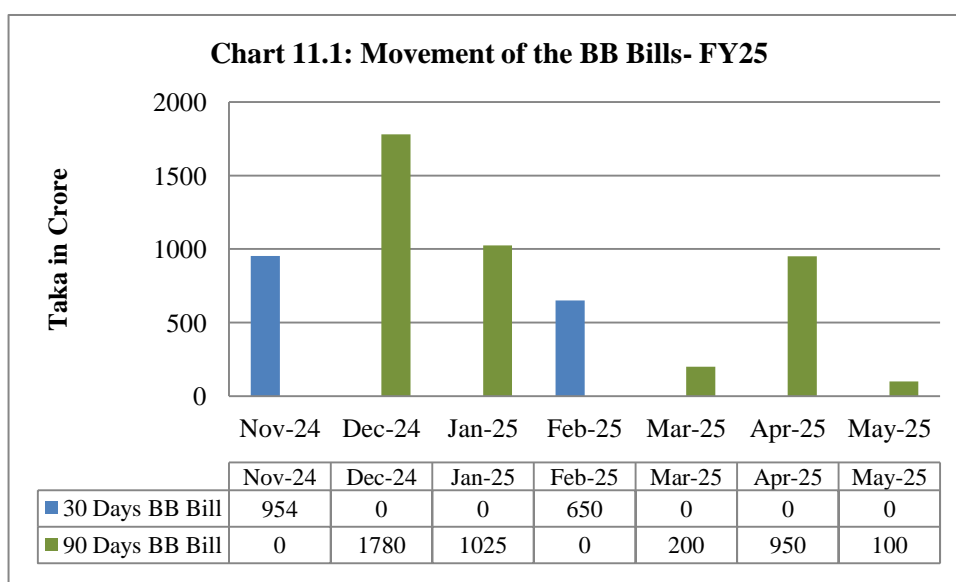


F. Bangladesh Bank (BB) Bill

One auction of BB Bills are held in May'25 with 90 days maturities

- Total accepted amount was BDT 100.00 crore.
- In that auction the cut off rate was 11.77%
- This cut off rate was higher than that of the previous month,

The trend of BB Bills auctioned amount over FY-25:



G. Government Treasury Bills Auctions

- There were four auctions held in May'25, resulting in a total issuance of BDT 30,000.00 crore which was BDT 6,000.00 crore (16.67%) lower than that of previous month.
- The cut off rate of 91days T.bills were increasing trend in May'25.
- The cut off rates of 182 days and 364 days T.bills were higher in the first auction and then it decreased in the next two actions and finally it increased again.
- Most of these cut-off rates are also higher than those of the previous month.

Chart 12.1: Treasury Bills Auctions in Apr'25

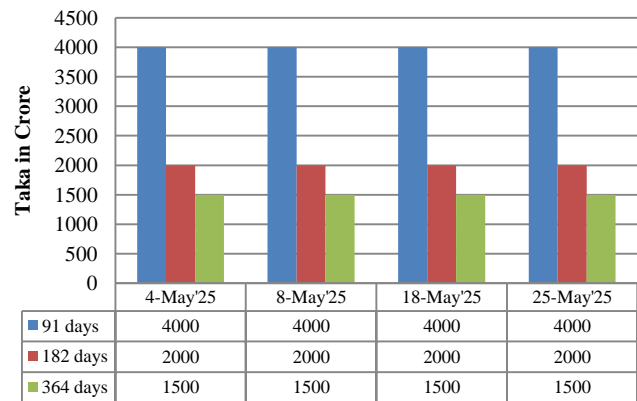
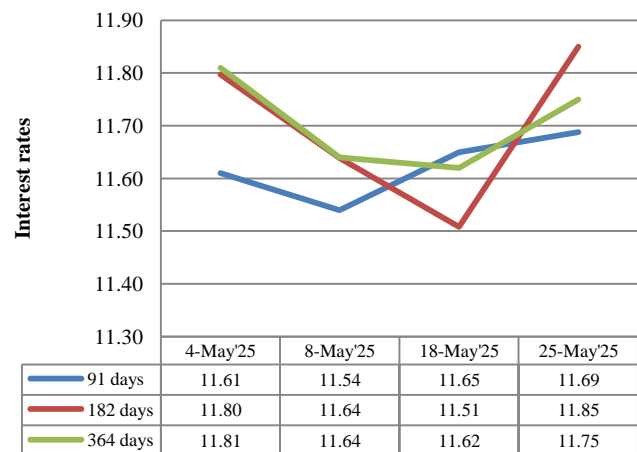
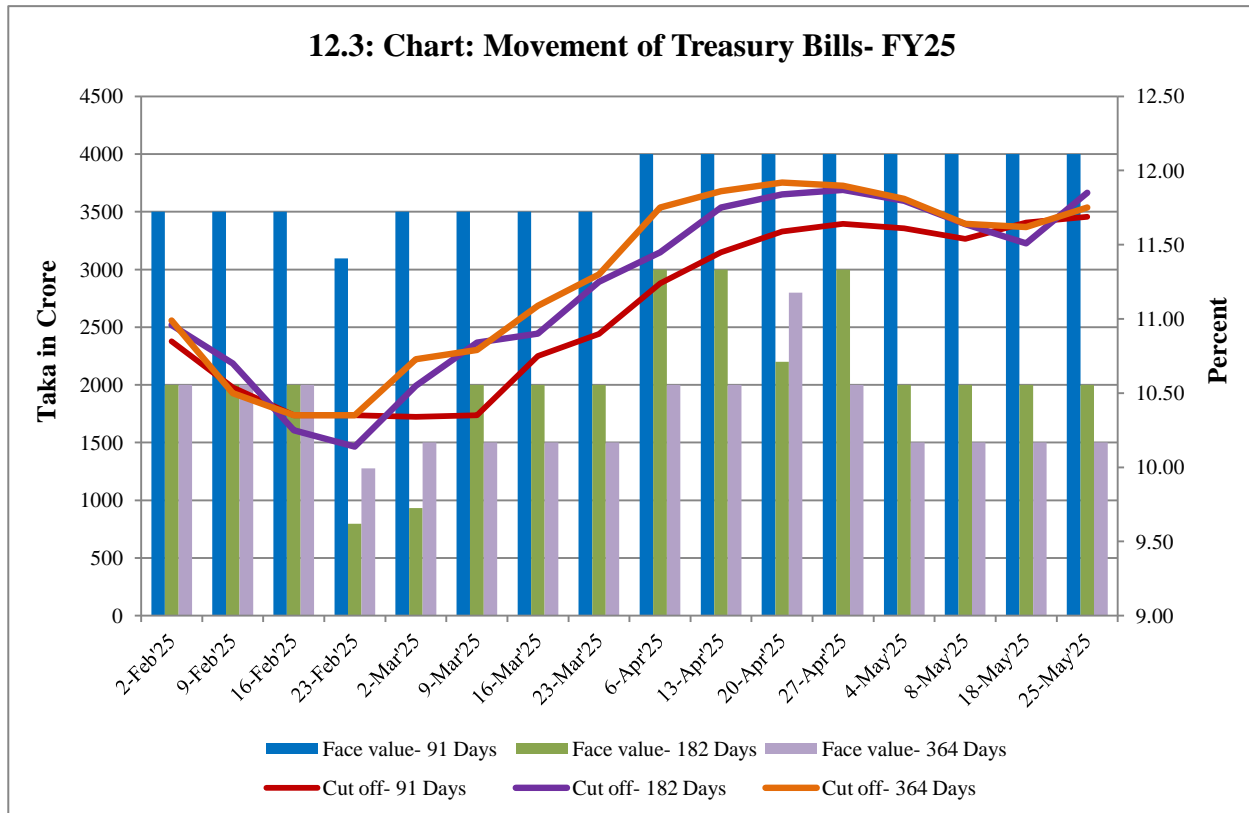


Chart 12.2: Cutt off rates of Treasurt Bills in Apr'25

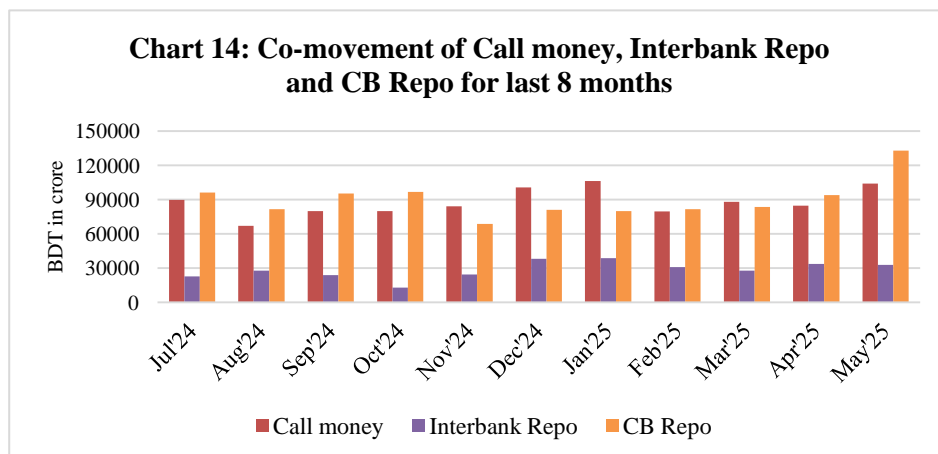


Regarding cut-off rates, the coefficient of variation (CV) of 91 days, 182 days and 364 days were 0.6%, 1.3% and 0.8% respectively. That means interest rate of 182 days treasury bills are more volatile than the other two types of treasury bills.

The trend of volume and cut-off rates Government T.bills over the last three months of FY-25:



Co-movement of Call money, Interbank Repo and CB Repo for FY-25



- Beginning of the FY-25, central bank liquidity support through CB repo was higher than call money transaction and it was continue until Oct'24.
- After that call money turnover exceeded the CB repo and continued up to Jan'25. Then it becomes parallel to the CB repo and in last month CB repo exceeds call money again.
- Interbank repo was in increasing trend from Oct'24 and it is now somewhat stable in last few months.

Money Market Dynamics (historical data) for FY-2025

Turnover in BDT Crore

FY-25	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	8.86	9996	10.08	859	11.38	89803	22738.42	8.65	96387	13528	9020	93674	69955
Aug-24	60638	8.78	5736	10.15	807	11.95	67181	27877.71	8.68	81668	10599	8567	102866	75870
Sep-24	72051	9.14	6875	10.78	973	11.11	79899	23813.51	9.20	95405	9679	19247	110545	99286
Oct-24	72056	9.66	6541	10.95	1426	12.17	80024	13031.86	9.69	96950	8706	43657	87978	70805
Nov-24	75644	9.99	7732	11.12	953	12.23	84328	24414.83	10.15	68852	36600	20574	114791	100557
Dec-24	88454	10.07	10446	11.36	1958	10.68	100858	38307.43	10.38	81207	3898	27279	77326	64111
Jan-25	91687	10.08	13160	11.46	1434	11.99	106281	38673.42	10.08	79920	6363	71876	75658	55391
Feb-25	68835	10.04	9478	11.10	1290	11.55	79603	30883.63	10.23	81660	6231	33492	107071	85213
Mar-25	74254	10.01	12337	10.80	1488	10.22	88079	27904.56	10.15	83757	5017	36364	94216	78363
Apr-25	72891	9.93	10390	10.80	1590	11.34	84872	33828.22	9.93	93999	3213	40922	84637	62644
May-25	90662	10.06	11678	10.85	1641	11.49	103982	32839.27	10.39	133094	10267	28222	116180	97284