



BB holds policy rate at 10% in tough trade-off: inflation vs growth

Economists support a tight stance as businesses say prolonged contraction has failed to ease price pressure and is weighing on economic activity

MPS FOR JAN-JUN 2026



MAJOR TARGETS



EXPERTS' REACTIONS

Prolonged tight monetary policy will hold back growth: Dhaka chamber

Maintaining policy rate at 10% a prudent choice: PRI economist Ashikur Rahman

Hiking interest rate alone won't rein in inflation: MTB MD Syed Mahbubur Rahman

OTHER TARGETS

Standing Lending Facility (SLF) unchanged at 11.5%

Standing Deposit Facility (SDF) lowered from 8% to 7.5%

Private sector credit growth target raised to 8.5%

Public sector credit growth target rose to 21.6%

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STAR BUSINESS REPORT

The Bangladesh Bank (BB) kept its policy rate unchanged at 10 percent yesterday, citing persistent high inflation ahead of the national election this week.

The policy rate, or repo rate, is a key tool used to influence credit demand and money circulation, aiming to contain demand-driven inflation. The central bank said it would maintain its tight monetary stance throughout the January-to-June period.

In line with this approach, the BB has kept the double-digit policy rate since

October 2024.

Despite this monetary tightening, inflation rose for the third consecutive month, reaching 8.58 percent in January.

Rising food prices ahead of Ramadan, the month of fasting for Muslims when demand for certain food items usually ticks up, contributed to the increase, according to the state statistical agency BBS.

The 12-month average inflation in January stood at 8.66 percent, well above the BB's target of reducing the price pressure below 7 percent.

While unveiling the monetary policy,

BB Governor Ahsan H Mansur said many objectives had been achieved, but inflation remained above target. He highlighted broader economic improvements, especially in governance and stabilising the banking and financial sector.

"However, inflation remains slightly behind target. The goal was to bring it down to around 7 percent, but it is still about 8.5 percent," Mansur said, adding that monetary policy alone cannot achieve all outcomes, and that it must be coordinated with fiscal measures.

READ MORE ON B3

Reserves cross \$29b under IMF method

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves crossed \$29 billion for the first time since the central bank began calculating the stock in line with the International Monetary Fund (IMF) method.

Yesterday, reserves stood at \$29.47 billion, up from \$29.23 billion recorded on February 5, according to Bangladesh Bank (BB).

This is the highest level since July 12, 2023, when the BB started computing reserves under the sixth edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6) — a global framework that reflects readily available reserves to clear import bills and other international obligations.

Thanks to rising remittances and moderated import demand, reserves have been gradually replenishing for more than a year.

The turnaround began after the fall of the Awami League government in August 2024, as remittance inflows increased.

The BB said gross reserves reached \$34.06 billion yesterday, the highest since November 2022. Continued purchases of the greenback also supported the rebound.

Previously, the BB had sold dollars to support the taka's value, but at the start of the current fiscal year, it began buying US dollars from banks to curb depreciation and stabilise the exchange rate.

The central bank reported purchasing \$4.3 billion during this fiscal year from the interbank market through transparent auctions to build reserves.

In its monetary policy for January-June, the BB said it will maintain a focus on exchange rate flexibility, leveraging strong

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Abandoning reforms will bring people to streets again

Finance adviser warns next govt

STAR BUSINESS REPORT

The next elected government must continue the ongoing reform agenda in the country's interest, or risk facing public backlash, Finance Adviser Salehuddin Ahmed warned yesterday.

"We, as the interim government, tried to prioritise some reform initiatives. But many things cannot be completed within a short time — they require more time," he said at an event organised by the Policy Research Institute (PRI) of Bangladesh in Dhaka on the reform agenda for the next government.

Warning the next government of potential consequences if reforms are abandoned, the adviser said, "Unless you do this for the country, for the good of the country, people will come back to the streets and pull you down again. You will not be able to get away with deception the way you did before."

"Whatever we started, these are not one-offs. They must continue. You can certainly do more, but you have to choose and prioritise," he also said.

Ahmed urged political leaders not to dismiss reforms simply because they are associated with the International Monetary Fund (IMF) or the World Bank.

"Not all of their prescriptions are bad. Some of them deserve serious attention," he said.

The government undertook reforms based on "the felt needs of the country" and what was "absolutely necessary," Ahmed said, rather than personal preference.

He said the interim government had to address multiple pressing issues, including high inflation, the current account deficit, and the energy crisis. The government also encountered problematic contracts.

"We were shocked to see some contracts — independent contracts, such as those of Adani and Rampal. Astonishing! We were told the High Court would review these contracts," he said.

"They were extremely distorted, and we tried to revise them. We couldn't. It was too complicated," he added.

READ MORE ON B2

BB plans collateral audits in fraud crackdown

STAR BUSINESS REPORT

The Bangladesh Bank (BB) plans to take the unprecedented step of directly inspecting properties offered as collateral for loans exceeding Tk 50 crore as Governor Ahsan H Mansur intensifies efforts to root out fraud and restore discipline to the crisis-hit banking sector.

In a move that signals a significant tightening of oversight for high-value exposures, BB will no longer rely solely on commercial banks' internal valuations.

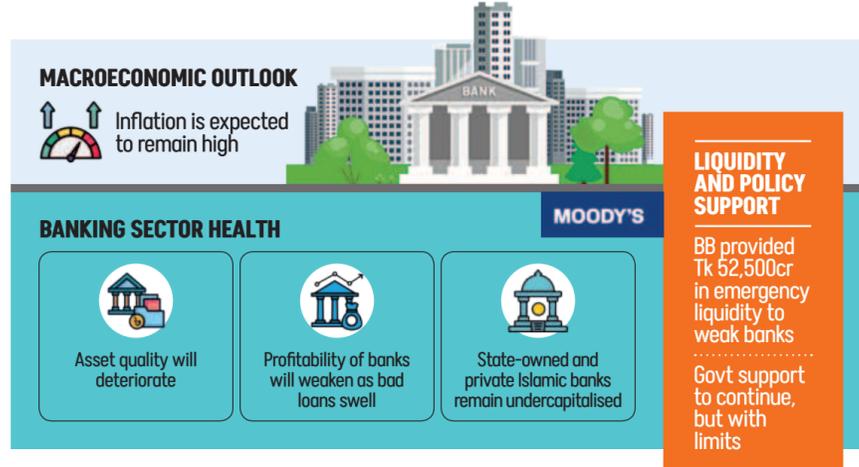
Instead, BB teams will verify the existence and value of lands or properties pledged as security.

The initiative aims to dismantle governance failures in the financial system, where politically connected borrowers have historically secured inflated loans against non-existent or grossly overvalued assets.

"Properties or lands used as collateral will be inspected by a BB team, so that lending can be disciplined," Mansur said at a press conference on monetary policy in Dhaka yesterday. "Those properties must be registered with the BB for scrutiny."

Moody's maintains negative outlook on banking sector

Report blames persistently weak economic conditions



STAR BUSINESS REPORT

Bangladesh's banking sector is facing mounting strains as weak growth, high inflation, and political uncertainty weigh on lenders' balance sheets, said Moody's, a leading global credit ratings and research agency.

In its latest outlook published yesterday, the firm maintained a negative outlook on the

country's banking system as it predicts a challenging operating environment amid below-potential economic growth and a high inflation rate.

Economic growth in Bangladesh is expected to recover only modestly to 5 percent in the current fiscal year 2025-26, up from 4 percent in the previous year, it said.

"Bangladesh's economy will

continue to navigate multiple macroeconomic challenges, including institutional weaknesses and poor governance, as well as a high unemployment rate," Moody's said.

The report said economic recovery will heavily hinge on an orderly transition to a new government following elections slated for the first half of 2026 and

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Japan EPA to cost Bangladesh Tk 20cr annually

Will unlock export and job opportunities, Bashir says

STAR BUSINESS REPORT

The newly signed Economic Partnership Agreement (EPA) with Japan will cost Bangladesh less than Tk 20 crore annually in forgone import duties on Japanese goods, while potentially delivering substantial benefits through expanded exports and labour mobility to the world's fifth-largest economy.

The February 6 agreement, signed in Tokyo, creates a heavily asymmetric arrangement that favours Bangladesh, according to a briefing by Commerce Adviser Sk Bashir Uddin held at the commerce ministry office in Dhaka yesterday.

Under the deal, Japan will provide immediate duty-free access to 7,379 Bangladeshi products while Bangladesh will grant the same privilege to just 1,039 Japanese items, a ratio of more than seven to one.

The number of duty-free Japanese products will increase gradually over 18 years. Bangladesh's garment industry, the crown jewel of the export sector, stands to gain significantly from favourable terms that could enhance its competitiveness in the Japanese market.

The agreement permits single-stage transformation, allowing manufacturers to enjoy zero-duty

benefits even when using imported fabrics, Commerce Secretary Mahbubur Rahman said at the conference.

This provision addresses a key constraint for Bangladeshi exporters, who often rely on imported textiles due to limited domestic fabric production capacity.

Bangladesh's garment industry stands to gain significantly from favourable terms that could enhance its competitiveness in the Japanese market

The secretary also noted that Bangladesh, being a least developed country (LDC), enjoyed a privilege in some areas in the deal with Japan, a developed nation.

For instance, he said Bangladesh has been given 10 years of relaxation in the intellectual property rights which means Japan will not ask for the patent right of the goods in next 10 years from the date of enforcement of the EPA.

Beyond trade in goods, the EPA creates significant opportunities for Bangladeshi professionals in Japan's ageing, labour-constrained economy.

READ MORE ON B3



BRAC Bank rolls out Google Pay for Visa credit cards

STAR BUSINESS DESK

BRAC Bank PLC has launched Google Pay for its Visa credit cardholders, allowing customers to make fast, secure and contactless payments using Android smartphones at home and abroad.

With the launch, Visa credit card users of the bank can add their cards to Google Wallet and pay at millions of merchant outlets that support Google Pay, both locally and globally, according to a press release.

The service eliminates the need to carry physical cards for everyday transactions, offering greater convenience and

flexibility for domestic and international spending.

Google Pay, a mobile payment service, uses advanced encryption technology to



ensure that card details are never shared with merchants, while each transaction remains highly secure, making it a reliable digital payment solution.

To mark the launch, BRAC Bank is offering a 20 percent cashback on the

first Google Pay transaction and a 10 percent cashback on the second and third transactions. The campaign will remain valid for the first two months until March

31, 2026, subject to terms and conditions.

Commenting on the initiative, Tareq Refat Ullah Khan, managing director and CEO of BRAC Bank PLC, said the introduction of Google Pay for Visa credit cardholders marked another step forward in

the bank's digital transformation journey. "By combining global payment technology with our customer-first approach, we are enabling safer, faster and more convenient transactions anywhere in the world," he added.

The launch reflects BRAC Bank's continued commitment to expanding digital payment capabilities and enhancing customer experience, supporting the country's move towards a cashless economy, the release said.

In addition, City Bank PLC became the first local bank in Bangladesh to officially launch Google Pay (via Google Wallet) on June 24, 2025.

Rafiul Islam appointed DMD of Uttara Bank

STAR BUSINESS DESK

Md Rafiul Islam has recently been appointed deputy managing director (DMD) of Uttara Bank PLC.

Prior to taking up his new role, Islam was serving the bank as executive general manager, according to a press release. He started his banking career with Uttara Bank PLC as an officer in 1999. During his 26-year banking career, he worked in the ICT division, MIS department, development and support department, card department, stationery and records department, engineering department, anti-money laundering department, business promotion department and branches operation department.

Islam obtained a bachelor's degree in computer science and engineering (CSE) from Khulna University.



Md Rafiul Islam

Yen strengthens

REUTERS, London

The yen strengthened on Monday after Japanese Prime Minister Sanae Takaichi's election victory, reversing six consecutive days of losses as traders bet fiscal stimulus will boost the stock market, while the US dollar eased against other major currencies.

The yen had initially pulled back slightly after Takaichi's win on Sunday, with the currency reaching its weakest in two weeks, but then strengthened as the trading day continued. The dollar was last around 0.4 percent lower against the yen at 156.56.

The yen also retraced losses against other currencies, which earlier saw it reach its weakest level on record against the Swiss franc and trade near the weakest point since the creation of the euro.



Zishan Ahammad, head of cards, ADC and internet banking of Bank Asia PLC, and Mamunur Rahman Shumon, director of sales and marketing of The Westin Dhaka, pose for a photograph after signing the agreement at the latter's office in Gulshan, Dhaka recently.

Bank Asia cardholders to enjoy Ramadan privileges at Westin Dhaka

STAR BUSINESS DESK

Bank Asia PLC has signed an agreement with The Westin Dhaka to offer Ramadan privileges for its credit cardholders.

Mamunur Rahman Shumon, director of sales and marketing of The Westin Dhaka, and Zishan Ahammad, head of cards, ADC and internet banking of Bank Asia PLC, signed the agreement at the former's office in Gulshan, Dhaka, on Sunday, according to a press release.

Under the strategic branding

agreement, the bank's cardholders will enjoy special buffet iftar offers, attractive discounts on takeaway iftar, and a range of additional benefits at The Westin Dhaka throughout the holy month of Ramadan.

The collaboration reflects Bank Asia's commitment to enhancing customer experience by offering added value and premium services during Ramadan, the release added.

Other officials from both organisations were also present.

Citizens Bank opens Aglabazar sub-branch in Nawabganj

STAR BUSINESS DESK

Citizens Bank PLC has launched a new sub-branch at Aglabazar in Nawabganj, Dhaka recently.

Alamgir Hossain, managing director of Citizens Bank PLC, inaugurated the sub-branch as the chief guest, according to a press release.

In his speech, Hossain emphasised that Citizens Bank will place a strong focus on the small and medium enterprise (SME) sector by offering tailored financing solutions, working capital support, trade finance facilities and advisory services to empower local entrepreneurs to expand their businesses and remain competitive.

He further mentioned that retail banking customers will benefit from

a wide range of deposit products, consumer loans, remittance services and modern digital banking solutions designed to meet evolving financial needs and contribute meaningfully to the socio-economic development of the communities

served by the bank.

Md Mostafizur Rahman and Md Abdul Latif, deputy managing directors, along with other senior officials of the bank, and local businesspersons from various sectors, were also present.



Alamgir Hossain, managing director of Citizens Bank PLC, inaugurates the bank's new sub-branch at Aglabazar in Nawabganj, Dhaka recently.

StanChart, Eastern Bank partner to boost export financing

STAR BUSINESS DESK

Standard Chartered Bank has signed a master receivable purchase agreement with Eastern Bank PLC to launch export receivables finance for financial institutions/banks (RFFI) in Bangladesh.

The programme uses the bank's global network and relationships with international buyer banks to support receivables financing for exporter clients of local partner banks at competitive rates.

The arrangement will help exporters of Eastern Bank receive early payments against deferred letters of credit. The solution is designed to improve liquidity and working capital by shortening the cash cycle and enabling access to funds before payment maturity.

Luthful Arefin Khan, country head of transaction banking at Standard Chartered Bank, Bangladesh, and Md Jabelul Alam, head of transaction banking at Eastern Bank PLC, signed the agreement in Dhaka recently, according to a press release.

Emphasising the significance of the partnership, Khan said, "Standard Chartered has consistently maintained a leadership position in facilitating cross-border trade flows



Md Jabelul Alam, head of transaction banking at Eastern Bank PLC, and Luthful Arefin Khan, country head of transaction banking at Standard Chartered Bank, Bangladesh, pose for a photograph during the agreement signing ceremony in Dhaka recently.

and correspondent banking solutions for our financial institution clients. "Through the RFFI programme, we are pleased to further strengthen our support across the export value chain as well. Eastern Bank has been a longstanding and trusted counterparty, and we appreciate their collaboration in advancing this strategic initiative," he added.

Commenting on the partnership, Alam said, "This partnership with Standard Chartered Bank reflects our commitment to delivering innovative trade finance solutions for our exporters. By improving access to timely liquidity, we aim to support sustainable business growth and strengthen Bangladesh's position in global trade."

Abandoning reforms

FROM PAGE B1

Warning of a recurring pattern in Bangladesh's political system, Adviser Ahmed said, "When one government does something, the next one labels it as bad and starts building something else. But development is cumulative. If someone has done something good, build on it."

"Our suggestion is: please consolidate some of the things we have done and move forward faster. You cannot go as slowly as before," he said.

He also highlighted the lack of

coordination across government as a major obstacle.

"It is extremely difficult to implement anything because of lack of coordination and resistance to reform," he said, recalling his tenure.

"I tell you, we tried. We had no personal agenda, no political agenda. We tried. And definitely Bangladesh is not in bad shape," said the adviser.

Also speaking at the event, KAS Murshid, former director general of Bangladesh Institute of Development Studies, said they have been asking

for reforms for a very long time.

"If you look at our economic history, significant reforms mostly happened only when the IMF was involved. Rarely have we independently decided that reforms were important and then implemented them."

He attributed this to political-economic constraints, saying most governments cannot handle the backlash. "Only under external pressure do we say: we have to carry these reforms through. But we need to move beyond this mindset."

Government of the People's Republic of Bangladesh
Office of the Civil Surgeon
Manikganj
Email: manikganj@cs.dghs.gov.bd

Memo No. CS/manik/2026/142 Dated: 09.02.26

e-Tender Notice e-GP Tender (OTM)

e-Tender is invited in the e-GP System Portal <http://www.eprocure.gov.bd>

SI No.	Tender ID & Reference No.	Name of work	Last selling date & time	Opening date & time
01	ID:1212322 Office of the Director (Health) Dt-23/9/2025 Memo No. 1096	Supply of manpower on monthly wage basis through outsourcing method for smooth operation and maintenance of the daily work of office Civil Surgeon Office Manikganj and different Upazila Health Complex Financial year 2025-2026 & 2026-2027	24-02-2026 12.00	24-02-2026 15.00

This is an online tender, where will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal <http://www.eprocure.gov.bd> is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through and e-GP registered bank's branches within due time. Further information and guideline are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd) or (email: www.cs.manikganj.gov.bd and call to 027710500). Interested person can communicate with the undersigned during office hours.

Dr. AKM Mafakhkarul Islam
Civil Surgeon
Manikganj

GD-289

Technology Transfer Office
[HEAT Sub-Project No. 15006]
Jahangirnagar University

e-Tender Notice

The following e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of:

SI No.	Tender ID No.	Package No.	Reference No.	Description of goods	Last selling date & time	Closing date & time	Opening date & time
1	1211767	G-1	JU/PIN15006/TTO/G-1	Procurement of computers and ICT equipment for the TTO office: computers, projectors, printers, photocopiers, laptops, interactive flat panels, network systems, etc.	03.03.2026 & 16.00	04.03.2026 & 14.00	04.03.2026 & 14.00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit an e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal must be deposited online through any registered bank branch. Further information and guidelines are available in the National e-GP System Portal and from the e-GP help desk (helpdesk@eprocure.gov.bd).

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GD-293

Govt stops tobacco cultivation in Halda river basin

STAR BUSINESS REPORT

The interim government has completely halted tobacco cultivation this year in Manikchhari upazila of Khagrachhari district in the Halda river basin area.

According to a press release issued yesterday, the Ministry of Fisheries and Livestock said coordinated efforts by the district and upazila administrations and the Department of Fisheries ensured the cessation of tobacco cultivation this year.

Last year, 11 tobacco farmers in the region cultivated the crop on nearly 20 acres of land, according to official records.

Experts say excessive use of pesticides in farming and tobacco cultivation in the Halda river basin is a major cause of water pollution in the Halda river, the country's only natural carp breeding ground and a fisheries heritage site.

Authorities expressed hope that the halt in tobacco cultivation would have a positive impact on conserving the Halda



FILE PHOTO: JOYANTI DEWAN

Tobacco plants used to grow on farmland in the Gorokhan area of Manikchhari upazila in Khagrachhari, part of the Halda river basin, where cultivation of the crop had raised concerns over water pollution and biodiversity. The government has completely halted tobacco cultivation this year in these areas.

river's fish resources and biodiversity, the release said.

On November 5 last year, the Ministry of Fisheries and Livestock amended the existing gazette on the Halda river fisheries heritage and issued a notification declaring tobacco cultivation prohibited in the Halda river basin area.

Later, at the Khagrachhari district law and order committee meeting on December 21, 2025, a decision was taken to adopt necessary measures to stop tobacco cultivation and illegal sand extraction in the Halda river basin.

In line with the decision, the Manikchhari upazila fisheries office and the upazila administration contacted tobacco farmers, informed them about the government notification, and advised them not to plant tobacco seedlings.

Tobacco seedlings are usually planted in December and January. The Department of Agricultural Extension is currently encouraging farmers in the area to cultivate alternative crops such as mustard, maize, and vegetables.

BB officials protest delay in autonomy decision

STAR BUSINESS REPORT

Bangladesh Bank (BB) officials yesterday held a protest rally on the central bank premises, expressing dissatisfaction over the non-approval of the proposed amendment to the Bangladesh Bank Order during the tenure of the interim government.

The demonstration was organised under the banner of the Bangladesh Bank Officers' Welfare Council, an association representing central bank officials.

At the rally, the officials demanded the resignation of Finance Adviser Salehuddin Ahmed for scrapping the proposal aimed at strengthening the central bank's autonomy.

Speaking at the programme, AKM Masum Billah, president of the organisation, said the amendment proposal to the Bangladesh Bank Order was sent to the finance ministry in early October.

However, it was rejected without following proper procedure. When the current adviser served as governor, he supported the proposal. But recently, he informed the governor through a letter that it was no longer necessary.

"Due to this dual stance, we are demanding his resignation, even if it is for a single day," he said.

BB holds policy rate at 10%

FROM PAGE B1

In the Monetary Policy Statement, the BB reduced the Standing Deposit Facility (SDF) rate, at which commercial banks park excess liquidity with the central bank, by 50 basis points to 7.5 percent.

Amid weak private-sector credit growth, the adjustment is intended to discourage banks from holding funds at the BB and encourage lending to the private sector.

Credit to the private sector fell to a historic low of 6.1 percent in December, while public-sector lending rose to 28.9 percent. However, the projection for private-sector credit growth was at 7.2 percent and public-sector growth at 20.5 percent.

Mansur noted that government borrowing heavily influences the money market, tightening liquidity and keeping interest rates high, which crowds out private-sector lending.

"Total credit has grown, but a large portion has gone to the government rather than the private sector, creating distribution pressure," he said.

In the Monetary Policy Statement, the BB projects public-sector credit growth

to reach 21.6 percent in the second half of FY26, driven by pre-election fiscal spending and post-election administrative expenditures during the government transition.

Besides, the government's budget target of borrowing Tk 1,18,000 crore from the banking system was factored into this projection.

The governor said domestic credit expansion is strong, but private-sector lending could have grown faster if government borrowing were lower.

Mansur said persistent government demand in the money market keeps pressure on overall demand and prevents interest rates from falling rapidly.

He said high rates, though restrictive, have helped stabilise the exchange rate and supported foreign reserve accumulation.

"Earlier, Bangladesh repeatedly failed to meet IMF reserve targets, but since August 2024, all quarterly targets have been achieved or even exceeded, even before receiving IMF funds," Mansur said.

Gross foreign exchange reserves stood at \$34.06 billion yesterday, up

from around \$26 billion a year earlier. Under IMF calculations, reserves were \$29.47 billion according to the BPM6 model.

The policy statement noted that economic activity remained broadly stable, supporting a positive growth outlook. "However, political developments, soft industrial output, persistent inflation, and global headwinds may undermine growth prospects," it added.

Inflation has moderated, but at a slow pace, suggesting expectations are not yet firmly anchored around the target. "This development underscores the need for continued policy tightening, which should cool inflation further by the end of this fiscal year," the statement said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, told The Daily Star that the policy rate alone cannot curb inflationary pressure, given supply-chain constraints and other factors.

He said that most loans in Bangladesh are corporate, with only 10 percent in retail, so interest rate hikes do not affect

consumers immediately. Private-sector loan demand would not rise sharply even after the election.

Birupaksha Paul, professor of economics at the State University of New York in Cortland, said the 10 percent repo rate remains appropriate but is contributing to cost-push inflation.

"Private credit growth was 6.1 percent in December 2025 and is projected to be 8.5 percent in June 2026. While that part is tightened with the aim of reducing inflation, public-sector credit growth, projected at 21.6 percent, will be the main driver of sustained high inflation."

He noted that the projection is ambitious, given that public-sector credit reached 28.9 percent in December 2025. Additional spending on new pay scales could make reducing it to around 22 percent difficult.

Paul, a former chief economist of BB, added that the economy may gain momentum after the election, but its strength will depend on improvements in law and order.

Ashikur Rahman, principal economist at the Policy Research Institute, said the BB's

cautious stance is justified as inflation remains stubbornly high. The recent rise in prices appears partly driven by electoral dynamics, which boost consumption ahead of national elections.

Fahmida Khatun, executive director at the Centre for Policy Dialogue (CPD), said contractionary monetary policy is appropriate given persistent inflation, but fiscal policy also needs tightening, and market monitoring should be strengthened.

She added that a prolonged tight stance is unfavourable for investment, but controlling inflation must take priority.

In a reaction, the Dhaka Chamber of Commerce and Industry expressed concern over the BB's decision to maintain a contractionary stance solely to control inflation.

"The reality, however, tells a different story. Despite prolonged tight monetary conditions, inflation has not been effectively contained, proving that this tool has largely failed while inflicting serious damage on productive economic activities," the chamber said.

FROM PAGE B1

The agreement enables skilled workers, including doctors, nurses, caregivers, and domestic helpers, to access Japanese employment markets, Adviser Bashir Uddin said.

Japanese investors are already establishing language training centres in Bangladesh to prepare workers for these opportunities.

The commerce adviser expressed optimism that students and professionals will be able to access opportunities in the G-7 nation, potentially creating a new avenue for foreign remittances.

The services component of the agreement also tilts in Bangladesh's favour. Bangladesh secured access to 120 Japanese sub-sectors

while opening 98 sub-sectors across 12 sectors to Japanese investment.

The EPA's timing proves crucial as Bangladesh prepares to graduate from LDC status later this year, which typically triggers loss of preferential trade terms. While Japan has separately extended existing LDC benefits for Bangladeshi goods until 2029, the EPA provides a more permanent framework for market access.

The deal represents Bangladesh's first comprehensive bilateral trade agreement with a major developed economy, following a more limited preferential trade arrangement with Bhutan in December 2020. It reflects the government's strategy to secure

preferential access with key trading partners before losing LDC privileges, with similar negotiations underway with other major economies to maintain export competitiveness in the post-LDC era.

The agreement awaits ratification by Japan's parliament, the Diet, which is expected within the next few days as the general election in Japan was held February 8, said the commerce adviser.

The adviser also said seven rounds of negotiation were held to sign the agreement between the two countries. State Minister for Foreign Affairs in Japan HORII Iwao signed the agreement on behalf of Japan while Bashir Uddin signed on behalf of Bangladesh.

Government of the People's Republic of Bangladesh
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Department of Public Health Engineering
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Memo No. 46.03.8800.061.16.005.23-125 Date: 09.02.2026

Invitation for e-Tender Notice (05/2025-26)

1	Ministry/Division	Local Government Division
2	Implementing agency	Department of Public Health Engineering (DPHE)
3	Project/program name	Revenue Budget
4	e-Tender IDs	1226073, 1226074, 1226075, 1226077, 1226078, 1226079, 1226080, 1226081, 1226082, 1226083
5	Description of works	Construction of Community Toilet with Running Water Supply & Construction of Twin Pit Latrine at different upazila of Sirajganj District under Rural Sanitation Project.
6	Name, designation & address of official inviting tender	Name: Md. Rokoujjaman, Executive Engineer, Sirajganj District, Sirajganj. Tel. No. 02-588831838, E-mail: ee.sirajganj@dphe.gov.bd
7	This is e-GP LTM tender, where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. Interested persons/firms can see details in the website: www.eprocure.gov.bd	Name: Md. Rokoujjaman, Executive Engineer, Sirajganj District, Sirajganj. Tel. No.: 02-588831838, E-mail: ee.sirajganj@dphe.gov.bd

GD-285

Government of the People's Republic of Bangladesh
Office of the Project Director
Accelerating and Strengthening Skills for Economic Transformation (ASSET) Project
Directorate of Technical Education
Plot -F-4/B, Agargaon, Sher-E-Bangla Nagar, Dhaka-1207
www.asset-dte.gov.bd

Memo No: 57.03.0000.051.07.881.25-491 Date: 05 February, 2026

3rd Corrigendum of REQUEST FOR BIDS (Package No: CP-GD-34)

Assignment Title	Last Date of Submission (Updated)	Last Date of Opening (Updated)	Tender Validity Period (Updated)
Supply, installation and commissioning of Full Mission Engine Room Simulator, Liquid Cargo Handling Simulator & High Voltage Simulator for Ship Building and Marine Technology of Institute of Marine Technologies	14:00 hour BST (GMT+6:00), 25 February 2026	14:30 hour BST (GMT+6:00), 25 February 2026	25 July 2026

Further information can be obtained at the address below during office hours i.e. 09:00 to 17:00 hours (GMT+06:00).

Mir Zahid Hasan
Project Director (Additional Secretary)
ASSET Project
Telephone: 880-02-41024953
E-mail: pd@asset-dte.gov.bd

GD-295

Moody's maintains

FROM PAGE B1

the policy priorities set afterwards.

"While the ready-made garment sector has been resilient to disruptions so far, we expect ongoing political and social unrest to subdue business sentiment."

Inflation is projected to stay elevated at 8.3 percent, constraining the central bank's ability to ease its policy rate, which has been held at 10 percent since October 2024, it said in an outlook on Bangladesh's banking system.

The 12-month average inflation stood at 8.66 percent in January this year, well above the Bangladesh Bank's (BB) target to bring it down to 7 percent. In these circumstances, the central bank has kept its monetary policy hawkish for the rest of the fiscal year, announcing that it would maintain the rate unchanged until next June.

Moody's warned that banks' asset quality and profitability will deteriorate as businesses face the dual challenges of sluggish demand and high costs caused by supply chain disruptions.

The report highlights a sharp deterioration in loan quality as many borrowers continue to face stress amid weak economic conditions.

Bangladesh's non-performing loan (NPL) ratio surged to 35 percent by June 2025, up from 9 percent at the end of 2023, following tighter classification rules.

"Asset quality will deteriorate as economic conditions remain weak," Moody's said, warning of a further build-up of soured loans due to the phased rollout of International Financial Reporting

Standard (IFRS 9) from September this year.

The agency said profitability will decline as NPLs swell.

"Loan-loss provisions will increase significantly across the system in 2026 as existing reserves are insufficient to cover last-growing NPLs," it said.

Both state-owned and private Islamic banks remain undercapitalised, reflecting weak governance and poor underwriting standards.

The outlook, however, said liquidity conditions are relatively stable, supported by deposit growth and remittance inflows.

It notes that the loan-to-deposit ratio fell slightly to 79 percent as of the end of June 2025 from 82 percent a few months ago.

"Financially stronger banks will continue to attract deposits as customers move to safer institutions, while it will take time for weaker ones to regain confidence and rebuild their deposit bases," Moody's said.

It added that the BB injected Tk 52,500 crore in emergency liquidity last June to shore up confidence.

Reserves cross

FROM PAGE B1

remittance inflows and improved reserves to buffer against external shocks.

Bangladesh's gross reserves had crossed \$48 billion in August 2021 for the first time. They later declined due to a sharp spike in imports following the removal of Covid-19 curbs and rising global commodity prices amid the Russia-Ukraine war.

By May 2024, overall dollar holdings had fallen to \$24 billion.

Government of the People's Republic of Bangladesh
Office of the Executive Engineer, RHD
Road Division, Moulvibazar
www.rhd.portal.gov.bd

Memo No. 35.01.5800.446.07.002.26-253 Date: 09-02-2026

e-Tender Notice (OTM)-Corrigendum-1

This is to notify all concern that the following tender corrigendum have published through e-GP portal.

Tender ID, Package No. & Date of Publishing	Name of Work	Procurement Method	Last selling date	Corrected Last selling date	Closing and Opening date & time	Corrected Closing and Opening date & time
1218909 PMP-Road-Major-04/Re-Tendered/EE/MRD/OTM/2025-2026 25-01-2026	Periodic Maintenance Programme Providing with DBSWC at Ch. 20+550 (Motigonj) to 25+100, Ch. 26+100 to Ch. 33+350, Ch. 33+850 to Ch. 34+500 & Ch. 35+137 to Ch. 39+000 (Mokambazar), Partial Strengthening Work at Ch. 20+550 to Ch. 20+200, Ch. 21+175 to Ch. 21+375, Ch. 22+200 to Ch. 22+350, Ch. 32+550 to Ch. 32+700, Ch. 36+300 to Ch. 36+360 & Ch. 37+200 to Ch. 37+300 and Sign-Signal, km Post etc. of Mirpur - Sreemongal - Moulvibazar - Sherpur (N-207) Road under Road Division, Moulvibazar During the year 2025-2026.	OTM	11-02-2026, Up to 17:00	18-02-2026, Up to 17:00	12-02-2026, At 12:30	19-02-2026, At 12:30

This is an online tender, where only e-Tenders will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP System Portal (<http://www.eprocure.gov.bd>). e-Tenders are invited in e-GP System Portal by Executive Engineer, RHD, Road Division, Moulvibazar.

Further information's and guidelines are available in the National e-GP System portal and from e-GP help desk (helpdesk: www.eprocure.gov.bd)

(Md. Kayzar Hamid)
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GD-288

Government of the People's Republic of Bangladesh
Office of the Divisional Mechanical Engineer (Carriage)
Bangladesh Railway, Kamalapur, Dhaka
www.railwaydhaka.gov.bd

Memo No. BR/DCD/FY26/eGP/Advertisement-1 Date: 8 February 2026

e-GP Tender Notice

e-GP Tender is invited in National e-GP Portal (www.eprocure.gov.bd) for the procurement of the goods and related services/works and physical services mentioned below:

Sl No.	Tender ID	Package description	Tender closing/opening date & time
1	1224652	BR/DCD/FY26/OTM/GR-02 Refilling of fire extinguisher cylinder with necessary repair/replacement of pressure gauge, hose pipe, safety lock, clamp and other accessories as required	23-Feb-2026 11:00:00 hrs
2	1225940	BR/DCD/FY26/OTM/GR-46 Procurement of toner-cartridge and ink for printers and photocopy machines	23-Feb-2026 11:00:00 hrs
3	1225943	BR/DCD/FY26/OTM/GR-47 Procurement of office stationery items including A4 and Legal size papers, carbon sheets, maintenance registers, log books etc.	23-Feb-2026 11:00:00 hrs
4	1226503	BR/DCD/FY26/OTM/GR-12 Procurement of (1) Toilet door hinge 300 Nos; (2) Main door hinge 200 Nos; (3) Corridor hinge = 300 Nos; (4) Hinge for gangway bridge plate = 400 Nos; (5) Hinge for center table 3"x2" = 300 Nos; (6) Bracket for angle cock = 100 Nos; (7) Union parts for air brake vertical pipe 50 Nos; (8) Union parts for Indonesian coaches train pipe = 50 Nos; (9) Air brake vertical pipe (OD: 35 mm, ID: 27mm, Wall thickness: 4 mm) = 80 RFT; (10) Latches turn-over single with bracket SS = 200 Nos.	23-Feb-2026 11:00:00 hrs
5	1226477	BR/DCD/FY26/OTM/GR-19 Procurement of (1) Chlorine granules = 100 kg; (2) Superior quality graphite powder flakes = 25 kg; (3) Train pipe (1.25"x3 mm) = 280 RFT; (4) Vbeo joint complete SS for air brake coach = 100 Nos; (5) SS bracket for main door of Korean MG coach = 200 Nos.; (6) Bolster lifting lock plate = 200 Nos.	23-Feb-2026 11:00:00 hrs

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
All potential and interested tenderers are requested to register in National e-GP System.

এস (২৬) (১৭৬)

Rasel Alam
18-02-2026
Rasel Alam
Divisional Mechanical Engineer (Carriage)
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GD-292



AM Shamim

Inefficiency, poor planning waste 80% of health budget

Says a leader of private hospital and clinic owners' association

JAGARAN CHAKMA and
TUHIN SHUBHRA ADHIKARY

Bangladesh's healthcare system has become capable of meeting the majority of domestic demand, but chronic mismanagement and poor planning are draining nearly four-fifths of the sector's public spending, according to AM Shamim, general secretary of the Bangladesh Private Hospital, Clinic and Diagnostic Owners Association.

In a recent interview with The Daily Star, he argued that the country has reached a point of functional self-reliance in healthcare delivery, even as deep structural flaws continue to threaten efficiency, accountability and public trust.

Shamim, also the managing director of Labaid Group, one of the country's largest private healthcare providers, said that over the past two decades, the health sector in Bangladesh has expanded in terms of both infrastructure and workforce, with the private sector now providing close to two-thirds of all health services.

The gains, however, he said, are being blunted by wastage, regulatory dysfunction and weak governance.

The Labaid MD pointed to the sharp fall in outbound medical travel as one of the indicators of the system's growing capacity.

He claimed that medical visas to India, once routine for Bangladeshi patients seeking treatment, have fallen to a tenth of their previous levels over the past 18 months.

Despite this drop, he said, the local healthcare system has faced no major disruption, reflecting its growing capacity to meet domestic demand.

Where Dhaka Medical College Hospital once served as the default option for emergencies, private hospitals such as Square and Labaid are increasingly becoming the first choice for patients seeking timely and specialised care, he said.

Shamim noted that this progress masks a disturbing reality.

"Our national health budget stands at around Tk 42,000 crore. But nearly 80 percent of that is wasted. Equipment

that isn't needed is purchased, while the ones we do need often sit idle and unused," he said.

The problem is not a lack of resources but their deployment. For instance, he said at Labaid Cancer Hospital, two linear accelerator (LINAC) machines deliver radiotherapy to between 160 and 220 patients a day.

In contrast, he emphasised, "government cancer hospitals have 8-12 LINAC machines, yet they treat fewer patients. That's not a technical issue — it's purely a matter of management."

Red tape compounds the

problem, he added.

The government extended the licence validity to two years last month. But Shamim warned that the underlying problems remain.

He proposed several fixes, including a unified licensing system that would consolidate approvals under a single authority.

Besides, he called for a national accreditation programme, modelled on India's NABH and NABL systems, which would grade hospitals from A to C based on beds, staff, equipment

"Many doctors do not spend enough time with patients and often fail to provide adequate counselling."

He suggested regulations on consultation lengths and daily patient loads.

He also urged the media to play a more balanced role. "Take the example of primary angioplasty after a heart attack. Worldwide, 9 out of 10 patients survive. But when that one patient dies, it makes headlines, overshadowing the success of the other nine."

But at the end of the day, the fundamental challenge remains

TAKEAWAYS FROM INTERVIEW

CHALLENGES

Nearly 80% of the health budget is wasted

Essential equipment lie idle while unnecessary machines are bought

Public hospitals treat fewer patients despite better facilities

SOLUTIONS

Introduce a one-stop licensing system

Use PPPs to revive 80 idle public healthcare facilities



Hospitals need clearance from 18 agencies; licences last only two years

Two-thirds of hospitals and diagnostic centres operate without valid licences

Doctors spend too little time on consultation and patient counselling

Cut corruption and streamline hospital management

Set minimum consultation time and cap daily patient loads

Grade hospitals based on service quality and capacity

Joint efforts by government, private sector and media to rebuild trust

dysfunction. Noting that there were once around 17,500 licensed hospitals and diagnostic centres, he said that number has now dropped to just 3,000 hospitals and 7,000 diagnostic centres.

"To set up a hospital, you need approvals from at least 18 different agencies, ranging from fire services, the Department of Environment, narcotics control, boiler inspection, generator compliance, and more," he said.

"The main issue is that licenses remain valid for just one year. By the time one agency completes its inspection, the year is already over. This

and services, weeding out substandard establishments.

Public-private partnerships could revive nearly 80 idle public healthcare facilities, leveraging the private sector's proven ability to attract talent, he added, noting that two-thirds of Bangladesh's 70,000 physicians and three-quarters of its 26,000 nurses work privately.

"This proves that public and private healthcare are complementary, not competitors," said the general secretary of the owners' association.

Shamim acknowledged that the private sector has its own failings.

governance.

"People may survive skipping a meal, but they cannot function without proper treatment," Shamim said. "It's time we nurture and invest in this sector with the seriousness it deserves."

Restoring public confidence in healthcare requires coordinated effort among the government, private sector, and media, he said.

"We (the private healthcare sector) are not an opposition of the government, or the people. We are part of the same system. If we work together, we can build a truly healthy Bangladesh."

Taiwan won't move 40% chip capacity to US

AFP, Taipei

Taiwan's top tariffs negotiator said it would be "impossible" to shift 40 percent of its semiconductor production capacity to the United States as she rejected claims that the island's chip industry would relocate.

Taiwan is a powerhouse in producing chips — a critical component in the global economy — but the White House wants more of the technology made in America.

Washington agreed in a deal last month to lower tariffs on the island's goods to 15 percent from 20 percent, while Taiwan will increase its investment in the US.

US Commerce Secretary official Howard Lutnick said last month that Washington wanted to shift up to 40 percent of Taiwan's chip supply chain and production to the US, warning tariffs could rise sharply if that did not happen.

That came after he told US media in September that Taiwan's chip production should be split "50-50" with Washington.

But in an interview broadcast late Sunday by Taiwanese television channel CTS, Vice Premier and lead negotiator Cheng Li-chiun said she had made it clear to US officials that Taiwan's semiconductor ecosystem would not be relocated.

With regards to "40 or 50 percent of production capacity (being) moved to the United States... I have made it very clear to the US side that this is impossible," Cheng said.

What do oil prices tell us about the market? Not a lot

REUTERS, London

Global oil markets face increasingly sharp and frequent price shocks as geopolitical tensions, opaque stockpiling and tightening Western sanctions are leaving many traders in the dark.

The growing influence of external, unpredictable forces on the world's largest and most liquid commodity market raises doubts about how accurately prices reflect physical fundamentals.

Indeed, the global oil market appears to be struggling to get a handle on its basic supply and demand balance. The International Energy Agency expects oil production to exceed demand by 3.7 million barrels per day this year, more than 3 percent of global consumption.

Yet prices tell a different story. While benchmark Brent crude prices have moved around in recent weeks, they remain firm at above \$65 a barrel.

What's more, the forward curve is in steep backwardation, a structure usually associated with tight supply.

So what explains this?

In the past few weeks, uncertainty about events in the Middle East has played a role. The risk of US military strikes against Iran, with the possibility of the conflict spilling over across the region, has helped push up oil prices towards \$70 a barrel.

Amid the back-and-forth headlines, the CBOE crude oil volatility index has risen to its highest level since the 12-day Israel-Iran war last June.

The US-Iran tensions are ultimately a short-term factor, unless the conflict truly spirals, but other longer-term trends threaten to obscure the supply-demand picture for months.

STOCKS ARE BUILDING

One sign of an oversupplied market is typically an increase in storage, and stocks are building globally. But geopolitical fragmentation is creating regional divergences that complicate this simple equation.

Morgan Stanley estimates global crude inventories rose by 520 million barrels, or around 7 percent, in 2025 and are on track to rise by another 730 million barrels this year.

Most of the buildup took place in China, which placed roughly 800,000 bpd into storage over the past year, according to ROI estimates. That figure implies an increase of more than 300 million barrels in 2025, accounting for a large share of excess supply.

It has stabilized in recent months but the damage is done, down nearly 10 percent against its major peers in 2025.

But China's exact crude holdings and storage capacity remain murky. A large portion of its strategic reserves sits in underground sites beyond satellite monitoring, limiting visibility into both how much China has actually stored and how much more it can add.

Uncertainty also surrounds China's buying strategy. Beijing tends to reduce purchases when prices rise, so it may have slowed stockpiling after prices recently rose toward \$70 a barrel. But, again, the market does not know.

This opacity has become a major blind spot for the oil market and has altered the way

rising storage levels are interpreted.

Historically, oil prices have closely tracked inventory changes in Organisation for Economic Co-operation and Development countries, particularly the US and Europe, which long dominated global demand. An increase in storage was usually considered bearish.

However, Chinese stock builds are currently perceived as bullish, an indication of strong demand that offsets the negative price signals coming from the builds in visible OECD inventories, according to Martijn Rats, an analyst at Morgan Stanley.

This possibility can help explain why crude prices haven't slid as global inventories have risen. Western sanctions on several oil-producing nations are adding further complexity to this picture.

China, India and Turkey have absorbed most sanctioned Russian, Iranian and Venezuelan crude in recent years, importing around 3.5 million bpd in 2025, according to Kpler.



The aerial image shows the Valero Wilmington Oil Refinery adjacent to the ports of Long Beach and Los Angeles. While benchmark Brent crude prices have moved around in recent weeks, they remain firm at above \$65 a barrel.

PHOTO: AFP/FILE

Barriers to economic growth

AF NESARUDDIN

It is difficult for an economy to grow when the engines of growth themselves suffer from fundamental defects. For many years, Bangladesh has ranked among the countries with a high perception of corruption. Despite widespread discussion and extensive media coverage, there has been little improvement. Almost everyone is aware of corruption, whether as a beneficiary or a victim. Although the relevant agencies remain active, the overall level of corruption has not come down. At the same time, good governance remains elusive.

It is evident, and a matter of national shame, that corruption has crossed a tolerable limit.

The consequences are severe. Revenue collection has suffered, the costs of national projects have escalated repeatedly, the cost of doing business has risen and ordinary people face increasing hardship. Ultimately, economic growth is affected. Weak governance and the absence of strong oversight mechanisms are



among the main reasons. Without clear political will, it is unlikely that any meaningful progress will be achieved.

Countries often cited as successful in reducing corruption, such as Botswana, Estonia and South Korea, demonstrate the importance of political commitment, civil society pressure and robust anti-corruption efforts. Reforms in Japan and recent actions by new governments in Fiji also show that progress is possible, even if uneven.

Several common factors emerge from these examples. Strong political will is essential, with leaders visibly committed to tackling corruption. Civil society pressure and citizen advocacy can play a decisive role. Transparency and accountability require clear laws and public access to information. Institutional reforms are needed to strengthen the judiciary and law enforcement. These experiences confirm that determined leadership at the highest level is a precondition for reducing corruption.

In South Korea, sustained pressure from citizens helped generate that will. In Botswana, long-standing commitment from political leaders was crucial. Other contributing factors include a relatively autonomous and merit-based judiciary and public service, along with transparency and participation in policy making and public spending.

For decades, the taxation system in Bangladesh has been marked by a narrow tax base, a low tax-to-GDP ratio, tax evasion and corruption. Honest taxpayers often face unjustified higher burdens, harassment and suffering, while some business groups and individuals evade taxes in collusion with corrupt officials. The government has taken various isolated measures over the years, but the results have fallen short of expectations. Although per capita income has risen to over \$2,500, this has not been reflected in a broader tax net or stronger revenue collection. It is difficult to ignore the fact that income declarations by some political leaders in nomination papers do not appear consistent with their lifestyles.

This situation cannot be allowed to continue indefinitely. Many developing countries have addressed similar problems with care and have improved their tax-to-GDP ratios. Long overdue tax reforms, including digitalisation as an effective tool, have no real alternative if the current situation is to improve.

There have also been serious governance failures across almost all sectors of the economy over the past fifteen years, if not longer. Non-compliance with laws and regulations, unqualified individuals in key positions, ineffective independent directors, undue political interference, including influence over the legal system, and weak ethical standards and professionalism have all contributed to the problem. Together, these factors have placed the economy and its growth under sustained strain.

The challenges and the remedies are well known. What matters most is the political will to take forward a genuine clean-up process, supported by experienced and relevant experts and professionals. This will not be easy, as vested interests linked to power are deeply involved. Yet there is no alternative. Without political will, reform will remain rhetoric, and economic growth will continue to be constrained.

The writer is a senior partner of Hoda Vasi Chowdhury & Co and a former president of ICAB

Gold, silver extend gains

REUTERS

Gold and silver extended gains on Monday, with the yellow metal trading just above \$5,000 per ounce as the dollar dipped, while investors awaited key US jobs and inflation data due later in the week to gauge the interest rate trajectory.

Spot gold rose 0.9 to \$5,004.61 per ounce by 0748 GMT after a 4 percent climb on Friday. US gold futures for April delivery gained 1 percent to \$5,026.30 per ounce.

"This could be the very short-term intraday correlation between the dollar and silver as well as gold (driving the metals up)," said Kelvin Wong, a senior market analyst at OANDA.

The US dollar was at its lowest level since February 4, making greenback-priced metals cheaper for overseas buyers. The yen strengthened after Japanese Prime Minister Sanae Takaichi swept to victory in Sunday's election.

"Bargain hunting is (also) pushing gold back above the \$5,000 level," said KCM chief analyst Tim Waterer.

Investors await monthly reports on employment and consumer prices this week, and expect at least two 25-basis-point rate cuts in 2026, with the first one expected in June. Non-yielding bullion tends to do well in low-interest-rate environments.

"Any softness in the jobs data could help gold's rebound efforts. We are not expecting a rate cut from the Fed until mid-year, unless the jobs data really starts to drop off a cliff," Waterer said.

San Francisco Federal Reserve President Mary Daly said on Friday she thinks one or two more interest rate cuts may be needed to counteract weakness in the labour market.