

RMB

02 November 2026

Global markets

In the news

Oil declined following a report that US President Donald Trump wants to give diplomacy with Iran one more chance before any move to resume strikes. Benchmark Brent futures fell about 3%, erasing Friday's gains, as the push for talks tempered concerns about renewed hostilities across the region. Chinese stocks advanced after a report that financial regulators will meet with banks and securities firms to discuss supporting the capital market.

Foreign exchange

The rand started the week on a firmer footing as Brent crude retreated from above US$117/bbl to around US$110/bbl amid tentative signs of progress in US-Iran negotiations. Despite the pullback in oil, the dollar remains relatively well supported, with the DXY holding near 102 as markets continue to price in a hawkish Federal Reserve (Fed) stance, although expectations for further tightening have moderated. USD/ZAR has eased from recent highs above 16.66, supported by improved risk sentiment and lower oil prices, but geopolitical uncertainty and upcoming election-related risks suggest caution remains warranted. While the longer-term outlook for the rand remains constructive, near-term gains may be limited unless oil prices retreat further and the dollar weakens more decisively.

Commodities and fixed income

Oil remains the dominant macro driver, although prices have corrected lower after diplomatic efforts between the US and Iran reduced immediate supply disruption concerns. Brent's retreat towards US$110/bbl offers some relief for inflation expectations and global risk sentiment, but persistent geopolitical risks and OPEC+ maintaining production targets could limit the extent of any sustained decline. In fixed income markets, South African bonds softened modestly at the end of last week as oil-driven inflation concerns outweighed support from lower global yields. Swap rates moved higher as markets priced increased inflation and interest rate risks, although SAGBs continue to benefit from the favourable post-MTBPS fiscal backdrop, including lower issuance, planned debt buybacks and an improving debt outlook. Lower oil prices should provide some support for local rates, although a firm dollar and ongoing global policy uncertainty are likely to cap the extent of any rally.

Botswana

Botswana's food import bill continues to increase

Botswana's food and beverage imports increased to P1.19bn in August 2026, up 6.7% m/m from P1.12bn in July, accounting for 14.5% of the country's total import bill of P8.21bn. Cereals remained the largest food import category, contributing 18.6% of total food and beverage imports, followed by beverages, spirits and vinegar at 16.8%. Within cereals, maize accounted for nearly half of the imports in the category, while beer and grape must be the most imported beverage products.

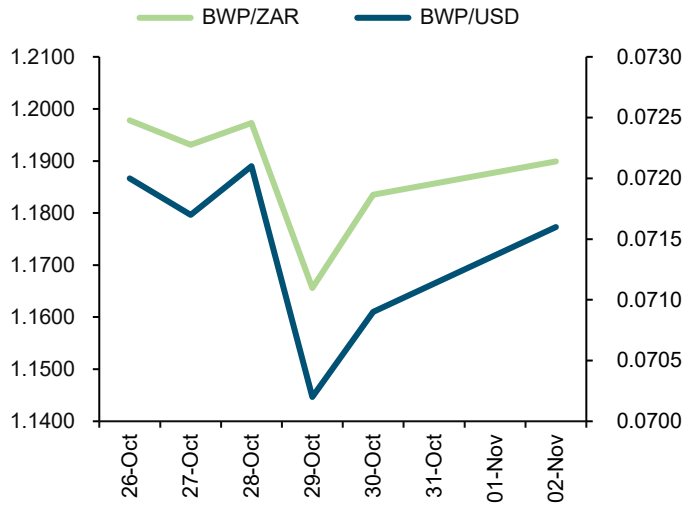
The increase in food imports was driven primarily by higher imports of cereals (+29.0% m/m), preparations of cereals and flour (+24.0%), animal and vegetable oils (+17.0%), and beverages (+14.2%). While food imports continue to reflect Botswana's reliance on external supply chains for key consumer staples, the latest figures also suggest firm domestic demand for food and beverage products. Over the medium term, elevated food import dependence remains a key source of external vulnerability and could amplify the pass-through of global commodity and exchange rate developments to domestic inflation.

Foreign exchange

The Botswana pula is slightly firmer against the US dollar in early trade on Monday after renewed optimism about talks between the US and Iran over a peace deal. The US is expected to release a heavy slate of data ahead of the monthly employment report from Bureau of Labor Statistics on Friday, unchanged at 6.50% in October, pointing to a soft labour market. Central bank decisions will be in focus in the coming week, with possible rate hikes from the UK to Australia, and a closely watched post-election central-bank decision in Brazil, among other highlights. In Botswana, the Bank of Botswana on Friday managed to raise the targeted BWP4.2bn in the local debt market through the issuance of government bonds and treasury bills, with yields going down across the curve. The Botswana pula will continue to take its cues from global events

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Source: Bank of Botswana, RMB Global Markets; data as of October 2026

Money markets

Market liquidity remained broadly stable, closing at BWP3.934bn, compared to BWP3.852bn in the previous trading session. Interbank activity totalled BWP659m, transacted at 5.55%, while no repo transactions were recorded during the day. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

Credit Facility Rate				
Rate	Actual	Previous	Variance	Trend
Unsecured interbank yield	5.55%	5.50%	0.05%	▲
Secured interbank yield	0.00%	0.00%	0.00%	▬
1-month BoBC	6.05%	6.05%	0.00%	▬
91-day T-bill	6.75%	6.75%	0.00%	▬
182-day T-bill	7.98%	7.98%	0.00%	▬
MoPR	5.50%	5.50%	0.00%	▬
Repo/Reverse repo rate	5.50%	5.50%	0.00%	▬
Credit Facility Rate	8.50%	8.50%	0.00%	▬
Standing Credit Facility	6.50%	6.50%	0.00%	▬
Standing Deposit Facility	4.50%	4.50%	0.00%	▬
FNBB Prime rate	7.01%	7.01%	0.00%	▬

Government bonds					
Bond	Maturity	November 2, 2026	October 30, 2026	Variance	Trend
6-m T-bill	29-Jul-25	6.27%	6.27%	0.00%	▬
12-m T-bill	30-Nov-25	6.60%	6.60%	0.00%	▬
BW016	05-May-27	6.50%	6.50%	0.00%	▬
BW014	05-Sept-29	7.73%	7.73%	0.00%	▬
BW011	10-Sept-31	9.18%	9.18%	0.00%	▬
BW012	13-Jun-40	12.00%	12.00%	0.00%	▬
BW015	02-Sept-43	12.20%	12.20%	0.00%	▬
BOTSGB0635	06-Jun-35	9.98%	9.98%	0.00%	▬
BOTSGB1150	02-Nov-50	12.35%	12.35%	0.00%	▬

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