

Global markets

In the news

Gold prices are trading firmer this morning as investors await key US labour market data for further guidance on the Federal Reserve's (Fed) interest rate outlook. Gains remain tempered by a stronger US. dollar and elevated Treasury yields, which continue to weigh on the appeal of non-yielding metal.

Foreign exchange

The US dollar remains firmly supported, with the DXY above 102 as higher-for-longer Fed expectations and elevated US Treasury yields continue to underpin the greenback. EUR/USD has fallen below 1.13 amid French fiscal concerns, while renewed yen weakness has brought USD/JPY closer to the 160-intervention threshold. Against this backdrop, USD/ZAR has climbed towards 16.69 as elevated US yields and weaker EM carry demand weigh on the rand. Today's US non-farm payrolls report is the key catalyst: a stronger print could push USD/ZAR towards 16.84, while a significant downside surprise could provide relief towards 16.35, although elevated oil prices and US yields may limit the extent of any rand recovery.

Commodities and fixed income

Brent crude remains elevated around US\$102/bbl as persistent US-Iran tensions and uncertainty around the Strait of Hormuz maintain a sizeable geopolitical premium despite improving supply conditions. In fixed income, the 10-year US Treasury yield is near 5.25%, having reached a 24-year high, as markets continue to price further Fed tightening. South African rates have followed the global sell-off, with SAGBs weakening across the curve and FRAs and swaps repricing higher amid rising global yields and persistent inflation risks. Attention now turns to today's US payrolls report and National Treasury's R1.0bn inflation-linked bond auction across the I2031, I2038 and I2058, where inflation concerns should support demand, although investors are likely to remain cautious ahead of the US data.

Botswana

Botswana's economy rebounds strongly amid recovery in diamond production

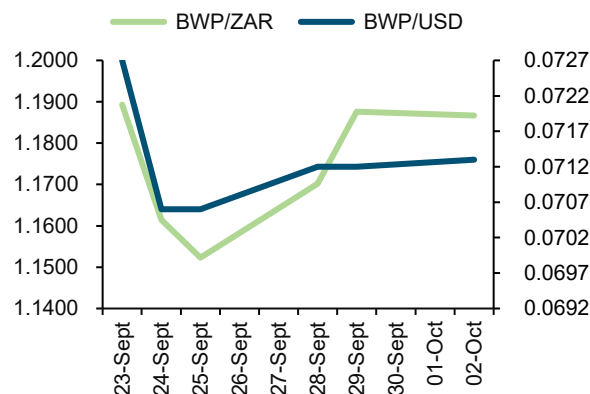
Botswana's economy rebounded strongly in 2Q26, expanding by 8.7% y/y, from 3.5% in 1Q26 and reversing a 5.2% contraction in 2Q25. Growth was predominantly mining-led, with the sector expanding 81.7%, supported by a 94.7% surge in diamond mining amid higher processing

volumes and improved recovered grades at Orapa and Jwaneng. However, non-mining GDP contracted by 0.2%, underscoring the narrow nature of the recovery. Agriculture declined 23.0%, largely reflecting a 47.8% contraction in livestock farming amid FMD-related disruptions, while manufacturing and construction contracted by 9.2% and 1.6%, respectively. Services were comparatively resilient, with professional services (+3.8%), accommodation and food services (+3.4%), education (+3.3%), and trade (+3.1%) recording growth, although diamond trading remained weak at -27.9%.

From the expenditure side, domestic demand remained subdued, with final consumption declining 3.0% y/y, driven by a 7.2% fall in household consumption, while government consumption rose 2.4%. Encouragingly, gross fixed capital formation increased 7.8%, reversing a 4.4% decline in 2Q25, while exports and imports grew by 5.2% and 10.7%, respectively. Overall, the print points to a strong but concentrated mining-led recovery, with weak household consumption, contracting non-mining activity, FMD-related agricultural disruptions and continued softness in diamond trading highlighting persistent headwinds to broader-based growth.

Foreign exchange

The US dollar is trading firmer against the South African rand and Pula this morning, supported by renewed inflation concerns following data pointing to persistent input -cost pressures in the US. manufacturing sector, alongside uncertainty surrounding France's budget also boosted the greenback. The market remains focused on the September non-farm payroll report, due later at 14:30hrs local time, with consensus expectations for 90K jobs, down from 162K in August, while the unemployment rate is expected to remain unchanged at 4.1%.



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

Money markets

Market liquidity tightened significantly, shifting from a long position of BWP2.270bn the previous day to a short position of BWP428m. The deterioration in liquidity was primarily driven by the settlement of the auction conducted on the previous day. Interbank activity remained robust, with volumes totalling BWP770m at a weighted average rate of 5.45%, while repo market activity continued to be subdued. 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	5.45%	5.45%	0.00%	—
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	October 2, 2026	September 29, 2026	Variance	Trend
6-m T-bill	29-Jul-25	6.78%	6.78%	0.00%	—
12-m T-bill	30-Nov-25	7.98%	7.98%	0.00%	—
BW016	05-May-27	7.88%	7.88%	0.00%	—
BW014	05-Sept-29	8.85%	8.85%	0.00%	—
BW011	10-Sept-31	9.20%	9.20%	0.00%	—
BW012	13-Jun-40	12.25%	12.25%	0.00%	—
BW015	02-Sept-43	12.59%	12.59%	0.00%	—
BOTSGB0635	06-Jun-35	9.98%	9.98%	0.00%	—
BOTSGB1150	02-Nov-50	12.95%	12.95%	0.00%	—

FXPH +267 395 6749

Tshiamo Kgame tshiamo.kgame@rmb.co.bw; Sapphire Mahlaka Sapphire.Mahlaka@rmb.co.bw; Baile Corrigan: bcorrigan@rmb.co.bw; Takunda Charumbira Takunda.Charumbira@rmb.co.bw; Boikanyo Lekoko boikanyo.lekoko@rmb.co.bw; Lame Koboyakgomo Lame.Koboyakgomo@rmb.co.bw; Ross Rakanyane Ross.Rakanyane@rmb.co.bw; Same Makwiti smakwiti@rmb.co.bw

Disclaimer: Whilst all care has been taken by FirstRand Bank limited, Reg. No. 1929/001225/06, (acting through its First National Bank Botswana Limited) ("the bank") in the preparation of the opinions and forecasts and provision of the information contained in this report, the Bank does not make any representations or give any warranties as to their correctness, accuracy or completeness, nor does the Bank assume liability for any losses arising from errors or omissions in the opinions, forecasts or information irrespective of whether there has been any negligence by the bank, its affiliates or any officers or employees of the Bank, and whether such losses be direct, indirect or consequential.