RMB

04 August 2026

Global markets

In the news

The US and Japan made coordinated purchases of yen, with President Donald Trump calling it “a signal of friendship” and Treasury Secretary Scott Bessent saying, “the Trump administration delivers for America’s trusted partners”. Analysts describe a range of US interests at stake in helping Japan, including ensuring Japan delivers on a US$550bn commitment to invest in US projects and securing further concessions in trade talks. The US may also want Japan to raise interest rates to support the yen and limit contagion from Japanese government bonds, with Treasury Secretary Bessent having previously called on the Bank of Japan to raise interest rates to counter Japan’s inflation.

Foreign exchange

Foreign exchange markets remain cautious as the US dollar stabilises near the 100.00 level ahead of this week's US labour market data, following last week's coordinated intervention by the US and Japan to support the yen. While USD/JPY has recovered towards 155, the prospect of further intervention is expected to limit additional yen weakness. The rand has also given back some of Friday's gains, with USD/ZAR rebounding towards 16.51 after briefly trading near 16.46. The local currency continues to balance support from firm precious metal prices against the headwind of higher oil prices. We expect USD/ZAR to consolidate within the 16.40–16.54 range in the near term, with a sustained move above 16.54 likely if oil prices continue to rise or geopolitical tensions intensify.

Fixed income and commodities

Commodity markets strengthened after renewed optimism over US-Iran peace negotiations and the resumption of shipping through the Strait of Hormuz pushed Brent crude sharply lower from around US$90/bbl to US$83/bbl. Additional downward pressure came from OPEC+'s decision to increase production by a further 188,000 barrels per day through September, reinforcing expectations that Brent could decline towards US$78/bbl. Lower oil prices have also supported precious metals, with gold breaking above US$4,110/oz and platinum remaining above US$1,660/oz, both of which are expected to extend gains if the current technical momentum persists. Investor attention now shifts to this week's US labour market data, which is expected to shape expectations for Federal Reserve policy and broader fixed income markets.

Botswana

Food imports increase in May

Botswana's food and beverage import bill increased significantly in May 2026, rising 19.9% m/m to BWP1.10bn from BWP916.5m in April, despite overall merchandise imports declining by 4.1% during the month. Food and beverage products accounted for 13.6% of total imports, underscoring the continued importance of imported food in meeting domestic demand. The increase was largely driven by a sharp rise in cereal imports (+74.1% m/m) to BWP248.3m, alongside higher imports of beverages, spirits and vinegar (+21.5%), sugar and confectionery (+42.2%), coffee, tea and spices (+36.0%), and vegetable preparations (+24.6%). Cereals remained the largest food import category, accounting for 22.6% of the food import bill, followed by beverages (13.9%), miscellaneous edible preparations (8.7%) and cereal-based processed foods (8.5%).

The composition of imports highlights Botswana's continued dependence on external food supplies, particularly for staple grains. Other wheat (45.5%), maize (28.9%) and rice (17.0%) accounted for over 90% of cereal imports, reflecting sustained reliance on imported staple foods. Within beverages, beer made from malt (43.1%) and other fermented beverages (19.3%) dominated imports. While the increase in food imports supports domestic consumption and food availability, it also reinforces Botswana's structural dependence on imported food products, leaving the country exposed to exchange rate movements, global food price volatility and external supply chain disruptions.

Foreign exchange

The US dollar was slightly stronger against the Botswana pula early trade Tuesday as tensions in the Middle East regain centre stage. President Donald Trump said his latest offer of talks is a “last chance” for Iran after he called off what he said was a major attack on the Islamic Republic. Iran denied it was negotiating with the US, but said talks with Oman to get more ships moving through the Strait of Hormuz are making progress. Trump said “there’s not going to be charging” for access to the strait, something Tehran has set as a key condition of any deal. The Botswana pula will take its cues from global events.

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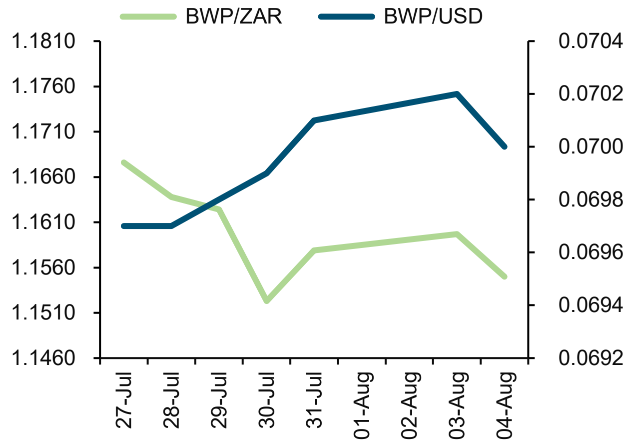

Source: Bank of Botswana, RMB Global Markets; data as of August 2026

Money markets

Market liquidity continues to remain stable day on day, closing the day at BWP2,598m from the BWP2,222m recorded in the previous week. Interbank market activity moderated to BWP170m, with trades executed at a weighted average rate of 5.15%. 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	5.15%	5.34%	-0.19%	▼
Secured interbank yield	0.00%	0.00%	0.00%	▬
1-month BoBC	6.05%	6.05%	0.00%	▬
91-day T-bill	9.10%	9.10%	0.00%	▬
182-day T-bill	9.58%	9.58%	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	August 4, 2026	August 3, 2026	Variance	Trend
6-m T-bill	29-Jul-25	9.58%	9.58%	0.00%	▬
12-m T-bill	30-Nov-25	10.50%	10.50%	0.00%	▬
BW016	05-May-27	8.30%	10.50%	-2.20%	▼
BW014	05-Sep-29	10.00%	10.60%	-0.60%	▼
BW011	10-Sep-31	11.55%	11.75%	-0.20%	▼
BW012	13-Jun-40	12.50%	12.58%	-0.08%	▼
BW015	02-Sep-43	12.75%	12.85%	-0.10%	▼
BOTSGB0635	06-Jun-35	12.10%	11.90%	0.20%	▲
BOTSGB1150	02-Nov-50	13.15%	13.18%	-0.03%	▼

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