RMB

05 August 2026

Global markets

In the news

China’s services activity expanded at its slowest pace in nearly 2 years, with the RatingDog China services purchasing managers’ index easing to 50.4 in July from 54.1 in June. The reading is the lowest since September 2024 and stayed above the 50-mark separating expansion from contraction but fell short of the median forecast of economists surveyed. The US Treasury Secretary Scott Bessent’s to-do” list reveals plans to buy US$5-10bn in Japanese yen to help Japan prop up its currency.

Foreign exchange

Foreign exchange markets adopted a stronger risk-on tone as improving prospects for a US-Iran agreement and weaker US labour market data weighed on the US dollar. The US Dollar Index (DXY) broke below key technical support at 99.88 after US JOLTS job openings came in below expectations, reinforcing expectations of a softer US labour market ahead of this week's ADP employment report and Friday's non-farm payrolls release. A recovery in yen-funded carry trades also supported high-beta currencies, including the rand. Consequently, USD/ZAR fell below 16.36, with technical indicators pointing to a move towards 16.31. While continued dollar weakness and improved global risk sentiment favour further rand appreciation, caution is warranted ahead of Friday's payrolls report, which remains the key catalyst for near-term currency market direction.

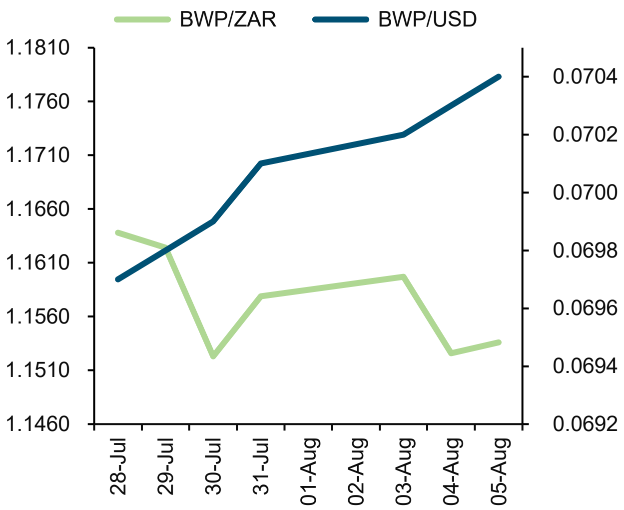
Fixed income and commodities

Commodity markets rallied after Brent crude fell sharply from US$86/bbl to around US$78/bbl on growing optimism that a US-Iran agreement to reopen the Strait of Hormuz may be imminent. Progress in regional negotiations, including discussions involving Qatar, Oman and Yemen's Houthi movement, has strengthened expectations of improved shipping conditions and lower energy supply risks. Technical indicators continue to favour further downside in Brent towards US$75/bbl, although a sustained break below this level is likely to depend on confirmation of a durable peace agreement. Lower oil prices also supported a strong rebound in precious metals, with gold climbing above US$4,190/oz and platinum breaking above US$1,700/oz, reinforcing favourable terms of trade for commodity-exporting economies. Investor attention now turns to upcoming US labour market data, which will shape expectations for Federal Reserve policy and broader fixed income markets.

Botswana

Foreign exchange

The US dollar is weaker against major peers in early trade Wednesday as the prospect of an interim deal focused on the Strait of Hormuz gained traction after Qatar said a proposal had been drafted and both American and Iranian officials sounded hopeful about reopening the crucial waterway. A 60-day agreement on shipping through the Strait of Hormuz is being prepared, under which inbound vessels would use a northern lane near Iran. At the same time, outbound traffic would travel through Omani waters in coordination with Iran. A short-term deal could help normalize commercial shipping in the Strait and prevent the resumption of fighting in the Middle East, but it might still fail to end the war or resolve concerns about Iran’s nuclear war. The Botswana pula will continue to take its cues from global events.



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

Money markets

Market liquidity closed the day at BWP 2,476 million, down from BWP2,598m recorded in the previous week. Interbank market activity moderated to BWP180m, with transactions conducted at a weighted average rate of 5.23%. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

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Credit Facility Rate				
Rate	**Actual**	**Previous**	**Variance**	**Trend**
Unsecured interbank yield	5.23%	5.15%	0.08%	
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 5, 2026**	**August 4, 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%	8.30%	0.00%	
BW014	05-Sep-29	10.00%	10.00%	0.00%	
BW011	10-Sep-31	11.55%	11.55%	0.00%	
BW012	13-Jun-40	12.50%	12.50%	0.00%	
BW015	02-Sep-43	12.75%	12.75%	0.00%	
BOTSGB0635	06-Jun-35	12.10%	12.10%	0.00%	
BOTSGB1150	02-Nov-50	13.15%	13.15%	0.00%	

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