

Global markets

In the news

Japanese Prime Minister Sanae Takaichi signalled that she would keep a close eye on market moves as she formulates policy. Takaichi seeks to enact a bill to cut the sales tax on food and soft drinks, but questions remain over how it will be funded without issuance of additional debt.

Foreign exchange

The US dollar remains firm despite softer US payrolls, with the DXY above 102.3 as European political and fiscal concerns add to demand for the greenback. EUR/USD has fallen to a 17-month low near 1.116, suggesting dollar strength is increasingly being driven by weakness outside the US rather than Fed expectations alone. Against this backdrop, USD/ZAR briefly approached 16.75 as elevated US yields and weak emerging market carry demand outweighed support from softer payrolls and lower oil prices. With positioning increasingly stretched, we see scope for a near-term pullback towards 16.58, while a broader improvement in risk sentiment and loss of dollar momentum could support further rand recovery.

Commodities and fixed income

Brent crude has eased towards US\$101/bbl after Saudi Aramco cut its November selling price for Asian customers, although prices remaining above US\$100/bbl suggest geopolitical and supply risks remain firmly embedded. In fixed income, softer US payrolls pushed the 2-year Treasury yield towards 4.80%, while the 10-year remained elevated around 5.26%, highlighting persistent inflation, fiscal and term-premium concerns. South African rates rallied on Friday, with SAGBs, swaps and FRAs moving lower as weaker US labour data provided some relief. However, with long-term US yields still above 5.2%, oil elevated and foreign demand for duration fragile, the move appears more consistent with a relief rally than a decisive change in the broader rates trend.

Botswana

Botswana mining producer prices fall sharply in 2Q26

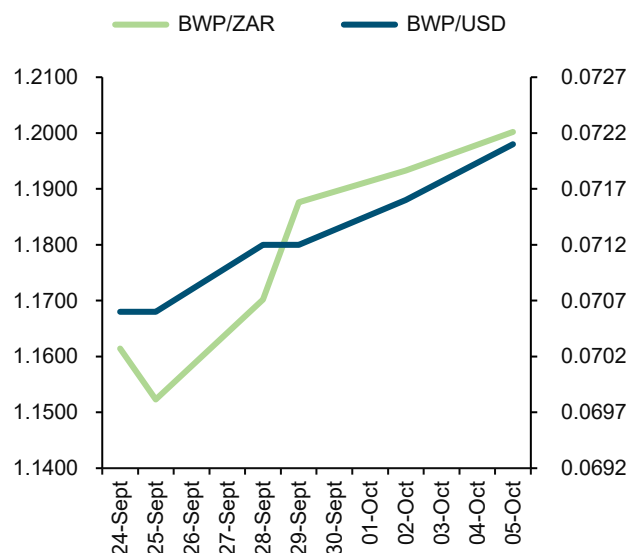
Botswana's Mining Producer Price Index (PPI) declined sharply in 2Q26, falling 12.9% q/q to 93.4, from 107.1 in 1Q26. The quarterly decline was largely driven by a 13.6% fall in diamond producer prices, alongside declines in gold (-13.0%), soda ash (-1.9%), and coal (-0.7%), while salt prices increased by 1.0%. Given that diamonds carry a 94.7%

weight in the mining PPI basket, movements in diamond prices continue to dominate Botswana's overall mining producer-price dynamics.

On an annual basis, mining producer price inflation fell to -21.1% y/y, a sharp reversal from +33.2% in 1Q26, reflecting continued weakness in producer prices across the mining sector. In contrast, the utilities PPI remained unchanged at 138.0 q/q, although prices were still 14.2% higher y/y, reflecting the lingering impact of electricity and water tariff adjustments implemented during 2025. The sharp decline in mining producer prices, particularly diamonds, points to continued pricing pressure within Botswana's key export sector, despite the recent recovery in diamond production volumes.

Foreign exchange

The US dollar held on to its recent gains against the Botswana pula as fears of higher inflationary pressures linger in global markets. The US jobs data came out softer than expected, forcing global markets to dial back on bets that the US Federal Reserve (Fed) will hike rates next month. The price of crude oil remains above US\$100 a barrel, further cementing US dollar strength. This week, the market will be looking for the Fed's September gathering minutes, due on Wednesday, to get clues on the policymakers' view on underlying price trends. The Botswana pula will take its cues from global events.



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

Money markets

Market liquidity improved during the session, closing with a long position of BWP2.270bn compared with BWP1.703bn from the previous day. Interbank activity remained robust, with volumes totalling BWP150m at a weighted average rate of 5.20%. The repo market recorded trading volumes of BWP1.703bn. 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	5.20%	5.45%	-0.25%	▼	
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 5, 2026	October 2, 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%	▬

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