BOTSWANA DAILY MARKET UPDATE

RMB

06 August 2026

Global markets

In the news

Gold extended its biggest gain in 6 months as signs of progress in reopening the Strait of Hormuz eased energy-led pressure on the Federal Reserve (Fed) to raise interest rates. Germany factory orders rose by more than analysts forecast, a sign that a recovery in Europe's biggest economy may be taking hold.

Foreign exchange

Foreign exchange markets have paused after a strong risk-on rally earlier in the week, with emerging market currencies consolidating ahead of Friday's US non-farm payrolls report. While the rand continues to benefit from surging precious metal prices and a more dovish outlook for both the Federal Reserve and the South African Reserve Bank (SARB), downside momentum in USD/ZAR has moderated around the 16.31 level as importer demand increases. A further move towards 16.25 remains possible, although gains are expected to be more gradual. The rand has also strengthened against the euro and sterling, with EUR/ZAR trading below 18.90 and GBP/ZAR below 22.00, while markets now assign roughly even odds of a September rate hike by both the Fed and the SARB.

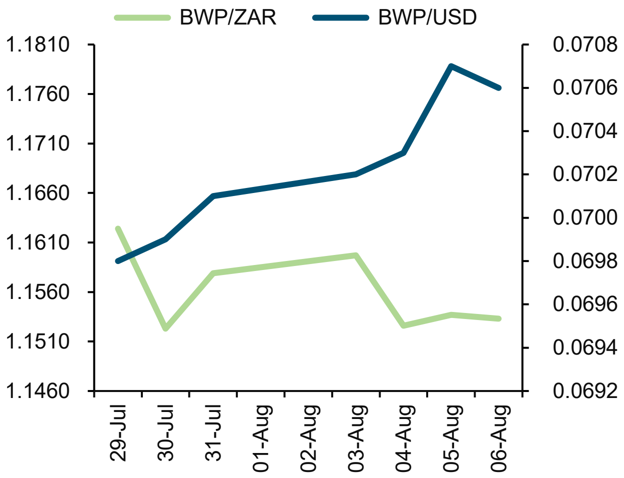
Fixed income and commodities

Commodity markets continue to be supported by easing geopolitical tensions, with Brent crude declining from around US$90/bbl last week to below US$80/bbl amid growing expectations of a US-Iran ceasefire and the possible reopening of the Strait of Hormuz. While uncertainty remains high ahead of key US labour market data, lower oil prices have reduced inflation concerns and prompted markets to scale back expectations for Fed tightening. Precious metals have been the standout performers, with gold surging to around US$4,300/oz and platinum approaching US$1,800/oz as easing Fed rate expectations and improving investor sentiment boosted demand. In fixed income markets, expectations for further policy tightening have softened alongside lower oil prices, with markets now pricing roughly a 50% probability of a September rate hike by both the Fed and the SARB.

Botswana

Foreign exchange

The US dollar maintains its weakening posture early trade Thursday on the backdrop of possible reopening of the Strait of Hormuz. Iran said it has reached an agreement with Oman on a proposed shipping route through the strait, raising the prospect of some energy flows resuming through the critical waterway. Signs of progress in ending the conflict have markets now fully pricing in only a single US rate increase by year-end, down from two as recently as last week.



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

Money markets

Market liquidity improved to BWP3,076m at close of business, compared to BWP2,476m recorded in the previous week. Interbank market activity also increased, with volumes rising to BWP340m, transacted at a weighted average rate of 5.35%. 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	5.35%	5.23%	0.12%	▲
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%	▬

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Government bonds					
Bond	Maturity	August 6, 2026	August 5, 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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