

Global markets

In the news

US Treasury Secretary Scott Bessent said the US can achieve 3% growth and restrain spending such that it will “very quickly” begin to alter the trajectory of government borrowing.

Foreign exchange

The US dollar remains firm, with the DXY above 102 despite softer ISM services data and some moderation in US yields, supported by persistent European political and fiscal concerns. EUR/USD remains near its weakest level since May 2025, although the pace of US dollar appreciation has slowed. Against this backdrop, USD/ZAR has eased from last week’s peak near 16.75 as oil prices decline and US dollar momentum moderates. Further consolidation towards 16.58 is possible, although a more sustained rand recovery will likely require a meaningful decline in US yields, lower oil prices and a broader improvement in emerging markets risk appetite.

Commodities and fixed income

Brent crude has stabilised around US\$100/bbl after falling roughly 2%, supported by improving supply through the Strait of Hormuz, increased Gulf production and Saudi Arabia’s lower selling prices to Asian customers. A sustained break below US\$100/bbl could provide a stronger catalyst for global risk sentiment. In fixed income, softer US data has provided some relief to Treasuries, although the 10-year yield remains above 5.3% as higher-for-longer expectations and term-premium concerns persist. South African rates remain under pressure, with SAGBs, FRAs and swaps selling off and the curve bear-steepening as elevated global yields, US dollar strength and foreign outflows continue to weigh on local duration.

Botswana

Botswana transport activity mixed in 2Q26 as air travel strengthens

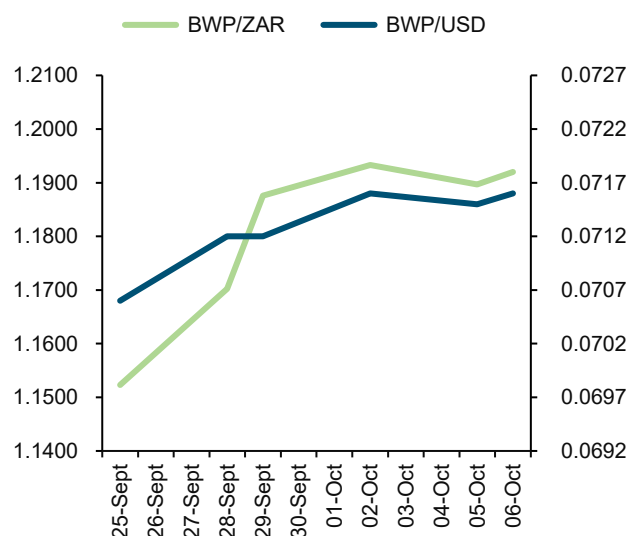
Botswana’s transport indicators painted a mixed picture in 2Q26, with softer vehicle registrations and rail freight contrasting with a sharp improvement in air transport. First-time motor vehicle registrations declined by 7.2% q/q to 7,536 vehicles, from 8,119 in 1Q26, with passenger car registrations falling by 9.2%. Passenger cars nevertheless remained dominant, accounting for 73.0% of new registrations. Notably, 78.2% of first-time registrations were used vehicles, while 21.7% were brand new, with Japan

accounting for 67.9% of vehicles registered during the quarter.

Rail activity also weakened, with freight volumes declining 16.4% q/q to 143,531 tonnes, while associated revenue fell by a comparatively smaller 8.2% to P39.4m. The decline was broad-based, with imports, local and transit freight falling by 36.6%, 27.2% and 19.6%, respectively, despite export freight increasing by 10.5%. In contrast, air transport recorded strong growth, with aircraft movements rising 67.6% q/q to 24,575, while passenger movements increased 35.8% to 257,801. The strong improvement in air traffic, particularly through Maun and Kasane, points to firmer tourism-related mobility during the quarter, while weaker vehicle registrations and rail freight suggest that activity across other parts of the transport economy remained relatively subdued.

Foreign exchange

The Botswana pula is slightly stronger against the US dollar that weakened overnight due to softer US jobs data and slightly lower oil prices. However, fears of higher inflationary pressures continue to linger in global markets as US Treasury yields remain high. 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/bbl, 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 closed in a long position of BWP1.984bn, down from the previous day's long position of BWP2.270bn. Interbank activity remained robust, with volumes totalling BWP360m at a weighted average rate of 5.49%. The repo market recorded trading volumes of BWP400.7m at a weighted average rate of 5.50%. 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	5.49%	5.20%	0.29%	▲
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 6, 2026	October 5, 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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