RMB

07 July 2026

Global markets

In the news

Iran fired at least two missiles at commercial ships transiting the Strait of Hormuz on Monday night, testing a late June deal with the US to halt attacks. Both vessels suffered significant damage, but there were no casualties.

Foreign exchange

Foreign exchange markets remain supportive of the rand as broad US dollar weakness persists ahead of the release of the June FOMC meeting minutes. The trade-weighted US Dollar Index (DXY) fell below key technical support to 100.80 overnight, with momentum indicators pointing to a further correction towards 100.59. Against this backdrop, USD/ZAR steadied around 16.22, supported by favourable market positioning and expectations of continued dollar weakness. While technical analysis suggests the pair could decline towards 16.18, this level is expected to provide firm support over the near term. Cross-currency performance also favoured the rand, with EUR/ZAR breaking below 18.60 before recovering slightly to 18.56, while GBP/ZAR tested resistance around 21.73. Although longer-term momentum remains bearish for both currency pairs, softer gold prices may limit the rand's appreciation by reducing support from Botswana and South Africa's precious metals export sector.

Fixed income and commodities

Commodity markets remain focused on evolving oil supply dynamics, with Brent crude rising modestly to US$72.50/bbl following renewed shipping risks near the Strait of Hormuz after an attack on a Qatar-bound vessel. However, the price response has been restrained by Saudi Arabia's price cuts for Asian buyers and the OPEC+ decision to increase output by 188,000 barrels per day in August, reinforcing expectations of a well-supplied market. Low implied oil price volatility and technical indicators continue to support a bearish medium-term outlook, with Brent expected to remain capped near US$74/bbl before potentially declining towards US$60/bbl. Investor attention now turns to the US Energy Information Administration oil market outlook and US ADP employment data, both of which could influence expectations for Federal Reserve policy and broader fixed income markets. Meanwhile, continued liquidation of gold-backed ETF holdings has limited gold's ability to sustain gains above US$4,200/oz, reducing support for precious metals despite the softer US dollar.

Botswana

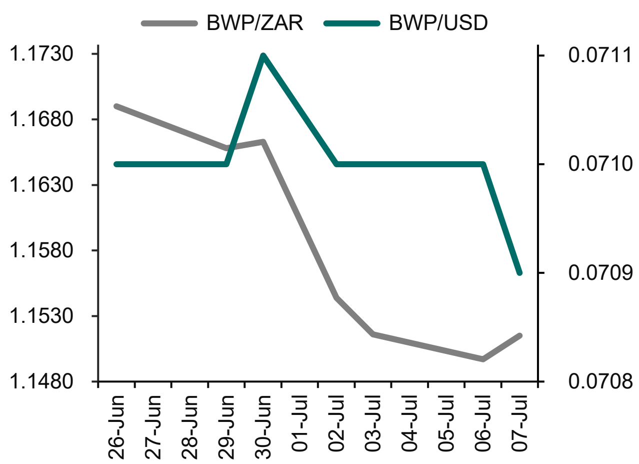
Electricity generation improves in 1Q2026

Botswana's electricity sector recorded a significant improvement in 1Q26, underpinned by a sharp recovery in domestic generation. Local electricity output increased by 72.8% y/y to 901,903 MWh, driven by stronger performance at the Morupule A and B power stations and rising solar generation. As a result, the country's reliance on imported electricity declined substantially, with imports falling 61.8% y/y to 220,305 MWh. Domestic generation now accounts for 80.4% of total electricity distributed, marking a notable improvement in Botswana's energy self-sufficiency and reducing exposure to regional supply constraints and imported electricity costs.

The latest data points to strengthening energy security and improving infrastructure reliability, both of which are supportive of Botswana's medium-term economic outlook. While coal-fired generation continues to dominate the energy mix, contributing 90.8% of total output, the growing contribution of solar power (9.1%) highlights ongoing progress towards diversifying the country's generation base.

Foreign exchange

The US dollar is largely unchanged and range-bound from yesterday’s closing levels as global markets seek new direction. Markets are closely tracking new data for clues on inflationary pressures and subsequent US monetary policy moves, while also eyeing developments of the conflict in the Middle East. Traders have been reducing their expectations of rate hikes and hoping more confidently for a full reopening of the Strait of Hormuz. Oil prices have been declining as the US and Iran are edging closer to an agreement.



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

FXPH +267 395 6749
Email: dlrmbbotswanafxph@rmb.co.za

Money markets

Market liquidity increased by BWP2.5bn, closing Monday at BWP3,553m, up from BWP1,001m in the previous day. The improvement was largely driven by the disbursement of quarterly payments to SOEs and local councils in support of grants and revenue funding requirements. The interbank market recorded BWP420m in trades at an average rate of 5.35%, while no repo transactions were executed during the session. 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%	5.45%	-0.10%	
Secured interbank yield	0.00%	0.00%	0.00%	
1-month BoBC	6.06%	6.06%	0.00%	
91-day T-bill	9.99%	9.99%	0.00%	
182-day T-bill	10.35%	10.35%	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	July 7, 2026	July 6, 2026	Variance	Trend
6-m T-bill	29-Jul-25	10.35%	10.35%	0.00%	
12-m T-bill	30-Nov-25	10.90%	10.90%	0.00%	
BW016	05-May-27	10.50%	10.50%	0.00%	
BW014	05-Sep-29	10.68%	10.68%	0.00%	
BW011	10-Sep-31	11.45%	11.45%	0.00%	
BW012	13-Jun-40	12.58%	12.58%	0.00%	
BW015	02-Sep-43	12.88%	12.88%	0.00%	
BOTSGB0635	06-Jun-35	12.20%	12.20%	0.00%	
BOTSGB1150	02-Nov-50	13.20%	13.20%	0.00%	

FXPH +267 395 6749
Tshiamo Kgame tshiamo.kgame@rmb.co.bw; Sapphire Mahlaka Sapphire.Mahlaka@rmb.co.bw; Baile Corrigan: bcorrigan@rmb.co.bw; Takunda Charumbira Takunda.Charumbira@rmb.co.bw; Boikanyo Lekoko boikanyo.lekoko@rmb.co.bw; Lame Koboyakgomo Lame.Koboyakgomo@rmb.co.bw; Ross Rakanyane Ross.Rakanyane@rmb.co.bw; Same Makwiti smakwiti@rmb.co.bw