BOTSWANA DAILY MARKET UPDATE

RMB

08 July 2026

Global markets

In the news

US forces completed a round of offensive strikes against Iran, according to a post on X by Central Command.

Foreign exchange

Foreign exchange markets remain relatively stable despite renewed geopolitical tensions in the Middle East, with the rand demonstrating resilience against a modest recovery in the US dollar. USD/ZAR traded around 16.26 after briefly testing the upper end of yesterday's range, while the US Dollar Index (DXY) recovered to approximately 101.10. Although higher oil prices and elevated geopolitical uncertainty have reduced the scope for further rand appreciation, gold prices remaining above US$4,100/oz continue to support the terms-of-trade outlook. As a result, USD/ZAR is expected to consolidate within the 16.20 -16.30 range, with 16.18 remaining a key technical support level unless oil prices retreat or the dollar weakens further. Cross rates also suggest limited repricing of the rand, with both EUR/ZAR and GBP/ZAR surrendering much of their overnight gains despite the increase in market volatility.

Fixed income and commodities

Commodity markets reacted to renewed geopolitical tensions after the US launched strikes on more than 80 Iranian targets following attacks on commercial vessels transiting the Strait of Hormuz, while the revocation of sanctions waivers on new Iranian oil sales added a modest geopolitical risk premium to energy markets. Brent crude climbed above US$76/bbl, and WTI traded above US$72/bbl; however, continued tanker movements through the Omani shipping corridor suggest that physical supply disruptions remain limited. Consequently, the medium-term outlook remains bearish, supported by the US Energy Information Administration forecast for oil prices to ease as global supply normalises, and the market returns to surplus. In fixed income markets, attention turns to South Africa's infrastructure bond auction, where the National Treasury will reopen its 2036 and 2041 infrastructure and development bonds. Following the strong performance of South African government bonds earlier this week, the auction will provide an important indication of sustained investor demand for infrastructure-linked debt and the government's broader strategy to finance public-sector capital expenditure.

Botswana

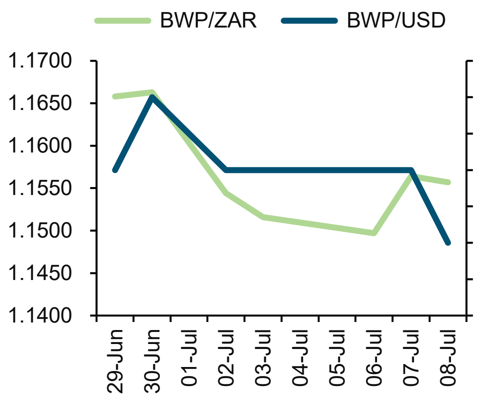
Mining PPI increases by 6.8% q/q in 1Q26

Botswana's Producer Price Index (PPI) points to improving pricing conditions across the mining sector, reflecting a recovery in global mineral markets and strengthening export prospects. The mining PPI increased 6.8% q/q to 107.1 in 1Q26, while annual producer inflation accelerated to 33.2%, reversing the negative inflation recorded in late 2025. The rebound was overwhelmingly driven by the diamond sector, which accounts for 94.7% of the mining PPI basket, with diamond producer prices rising 8.5% over the quarter. Although prices for coal, soda ash and salt declined, stronger diamond prices more than offset these movements, underscoring the sector's continued importance to Botswana's mining revenues and external earnings.

The utilities PPI remained unchanged at 138.0 during the quarter, indicating stable producer costs for electricity and water following tariff adjustments implemented in 2025. Annual utilities producer inflation remained elevated at 19.1%, reflecting the continued pass-through of earlier tariff increases rather than new price adjustments.

Foreign exchange

The US dollar edged higher in early trade Wednesday, mainly driven by renewed tensions between the USA and Iran. Three ships were attacked in the Strait of Hormuz, heightening unease among shipowners and testing a US-Iran agreement to halt attacks. The attacks include a gas carrier and a Saudi crude oil tanker, with naval forces reporting a third attack on an unspecified tanker, prompting a raised threat level in the region. The incidents raised concerns in oil markets, with oil prices rising and European gas futures adding roughly 7% and have come at a delicate moment for diplomacy between the US and Iran.



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

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Money markets

Market liquidity remained broadly unchanged day-on-day, closing at BWP3,271m as compared to BWP3,553m in the previous session. The interbank market recorded trades totalling BWP305m at an average rate of 5.36%, while no repo transactions were concluded 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	5.36%	5.35%	0.01%	▲
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 8, 2026**	**July 7, 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%	–

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