BOTSWANA DAILY MARKET UPDATE

RMB

09 July 2026

Global markets

In the news

US, Iran trade attacks for a second day, testing fragile ceasefire while oil prices surge to US$77 a barrel.

Foreign exchange

Foreign exchange markets turned more defensive as renewed US-Iran tensions boosted demand for safe-haven assets and strengthened the US dollar. The release of the June FOMC minutes, which continued to highlight upside inflation risks, together with higher oil prices, reinforced expectations of a September Federal Reserve rate hike and supported a bullish reversal in the US Dollar Index (DXY), with technical indicators pointing to a potential move back towards 101.74. Although the IMF's upgrade to China's 2026 growth forecast provides some support for commodity-linked currencies, the rand remains vulnerable to escalating geopolitical risks. USD/ZAR retreated from yesterday's high near 16.50 to around 16.40, but technical indicators suggest a break above 16.4050 could trigger further gains towards 16.60 if Middle East tensions intensify. In cross rates, EUR/ZAR showed relative resilience, retreating below its 18.72 moving average with downside potential towards 18.64, while GBP/ZAR remains biased higher, with technical indicators pointing to possible upside towards 22.20 unless a stronger rand reversal emerges.

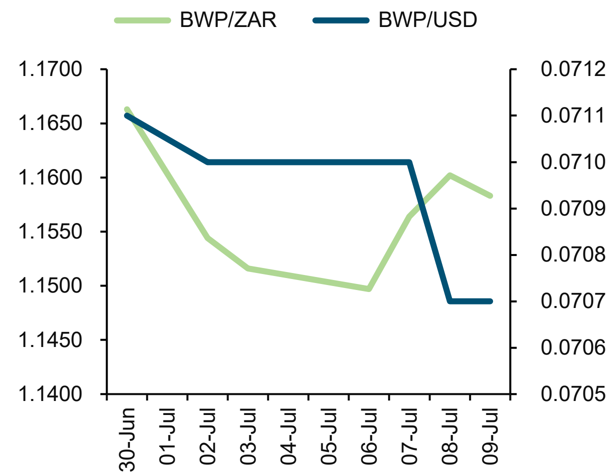
Fixed income and commodities

Commodity markets remain highly sensitive to developments in the Middle East, with renewed US-Iran tensions driving a sharp increase in oil market volatility and rebuilding geopolitical risk premia. Brent crude's implied volatility rose above 44% from below 35%, while stronger refining margins reflected growing concerns over potential disruptions to global fuel supply chains, reinforcing inflation risks and supporting expectations of tighter global monetary policy. Technical indicators suggest Brent crude could test US$81.30/bbl if geopolitical tensions persist, although a move below US$77.30/bbl would weaken the current bullish outlook. In fixed income markets, rising global yields continued to pressure South African government bonds, with benchmark nominal bond yields increasing across the curve as investors repriced duration risk. Despite this, the National Treasury's infrastructure bond auction recorded strong investor demand, with the I2036 and I2041 bonds attracting healthy bid-to-cover ratios of 3.72x and 4.57x respectively, highlighting continued institutional appetite for infrastructure-linked debt even amid broader weakness in nominal bond markets.

Botswana

Foreign exchange

The US dollar held on to its recent gains as the US military struck Iran for a second day, hitting about 90 targets to further degrade the Islamic Republic’s ability to attack commercial shipping in the Strait of Hormuz. Iran responded by targeting US bases in Bahrain, Kuwait and Qatar. The attacks heightened concerns that the tit-for-tat exchanges could derail efforts to secure a lasting peace agreement, with both the US and Iran accusing each other of breaching the memorandum of understanding that underpins the temporary truce.



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

Money markets

Market liquidity declined to BWP2,691m from BWP3,271m in the previous session. The interbank market recorded BWP287m in trades at an average rate of 5.64%, while no repo transactions were executed during the day. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

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Credit Facility Rate				
Rate	**Actual**	**Previous**	**Variance**	**Trend**
Unsecured interbank yield	5.64%	5.36%	0.28%	▲
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 9, 2026**	**July 8, 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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