

Global markets

In the news

China's central bank rejected claims that the yuan is undervalued as trade talks began with the European Union, where officials have increasingly blamed trade imbalances on the exchange rate. The People's Bank of China argued that exchange rate adjustments won't resolve structural imbalances in the global economy and said China's export strength stems from rising industrial competitiveness rather than policy.

Foreign exchange

Foreign exchange markets have adopted a more constructive tone as easing geopolitical tensions and softer US yields improve global risk sentiment. The US dollar has shown signs of losing momentum, with EUR/USD holding above the key 1.1160 support level. Against this backdrop, the rand has strengthened sharply, with USD/ZAR retreating from above 16.70 to around 16.53, making it the best-performing emerging market currency since yesterday afternoon. Near-term momentum favours further rand appreciation, although the 16.48-16.52 support zone remains a key technical hurdle. A sustained break below 16.52 could reinforce the rand's recovery, while repeated failures to breach 16.74-16.75 suggest limited upside for USD/ZAR.

Commodities and fixed income

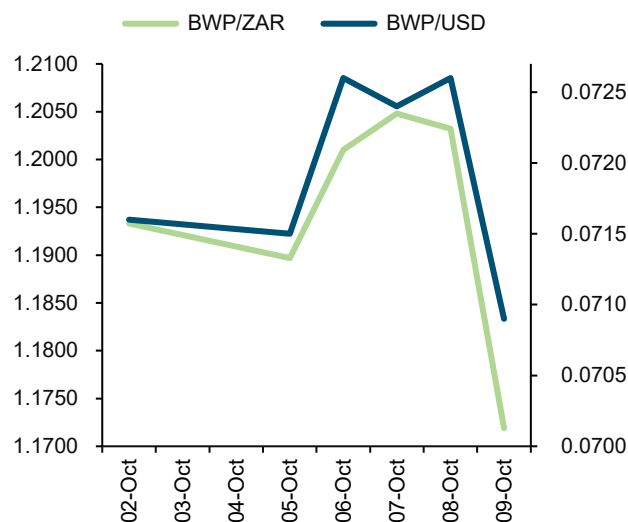
Brent crude retreated from around US\$106/bbl overnight after President Trump indicated that the US would refrain from military strikes against Iran ahead of the midterm elections, easing immediate geopolitical supply concerns. The decline in oil prices has supported a recovery in global bond markets, with the 10-year US Treasury yield retreating after failing to reach new highs. Bond-market volatility has also moderated, suggesting that recent pressure on global fixed income markets may be easing. With limited economic data scheduled today, lower oil prices and improving risk sentiment could provide further support for bonds, although geopolitical uncertainty remains a key risk to the outlook.

Botswana

Foreign exchange

The Botswana pula strengthened modestly against the US dollar as the greenback softened following the release of the latest Federal Reserve meeting minutes. The minutes suggested that, while inflation remains elevated, further interest rate increases may not need to occur in rapid succession. This prompted market participants to scale back expectations of an imminent rate hike at the next Fed

meeting. Meanwhile, Brent crude oil prices remain elevated, trading above the key psychological level of US\$100 per barrel at approximately US\$102/bbl, providing continued support to the US dollar. Looking ahead, the Botswana pula is expected to remain largely influenced by developments in global financial markets and broader macroeconomic events.



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

Money markets

Market liquidity closed the day in a long position of BWP4.160bn, an increase from BWP3.229bn recorded in the previous session. Interbank market activity amounted to BWP460m, transacted at a weighted average rate of 5.44%. No repo market transactions were recorded during the day. 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	5.44%	5.49%	-0.05%	▼
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 9, 2026	October 8, 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%	▬

FXPB +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

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