RMB

10 July 2026

Global markets

In the news

Chinese provinces are nearing a milestone in Beijing's plan to refinance their debts, allowing local officials to refocus efforts on raising funds or infrastructure projects. Japan's producer prices accelerated to their fastest annual pace since early 2023, rising 7.1% y/y in June 2026. US mortgage rates climbed to 6.49%, reversing last week's drop, after President Donald Trump declared the ceasefire with Iran over, fuelling concerns that renewed fighting may push oil prices up and keep borrowing costs elevated.

Foreign exchange

Foreign exchange markets adopted a more constructive tone overnight as investors increasingly viewed the renewed US-Iran tensions as a contained geopolitical event rather than the start of a broader regional conflict. Improving risk sentiment, together with a softer US dollar, saw the US Dollar Index (DXY) extend its decline for a third consecutive session to around 100.6. Against this backdrop, the rand outperformed its emerging market peers, appreciating 0.4% to become the strongest-performing currency among a basket of 14 emerging market currencies. USD/ZAR strengthened towards 16.28, supported by improved terms of trade, broad-based US dollar weakness and the rand's attractive carry profile. While geopolitical developments remain a source of volatility, we expect the pair to retain a downside bias towards the 16.20 level, with further declines in oil prices likely to provide additional support for the rand.

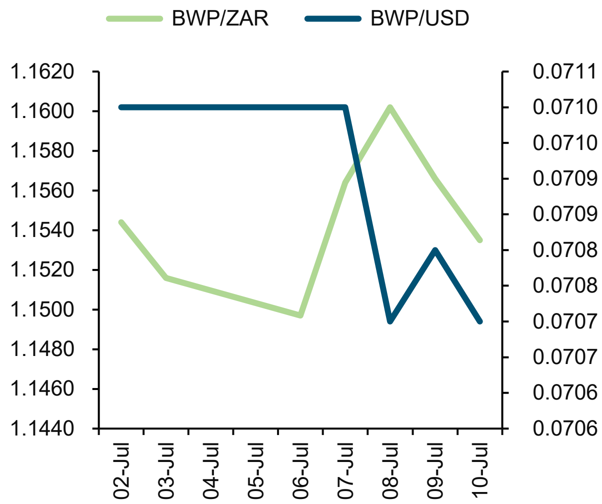
Fixed income and commodities

Commodity markets stabilised as easing concerns over supply disruptions in the Strait of Hormuz prompted Brent crude to retreat towards US$76/bbl following latest reporting from the US administration indicate that peace negotiations with Iran remain ongoing. Although the decline in oil prices has been more gradual than the initial rally, improving confidence in the normalisation of energy supply chains has supported broader market sentiment. Gold also recovered above US$4,100/oz as lower US Treasury yields and a weaker US dollar increased demand for precious metals, although investors remain cautious ahead of next week's US inflation data, which could shape expectations for Federal Reserve policy. In fixed income markets, South African government bonds weakened modestly, with nominal yields rising by 2-5bp across the curve as higher global yields weighed on longer-dated maturities. Attention now turns to the National Treasury's auction of the I2031, I2043 and I2050 inflation-linked bonds, where investor demand is expected to remain influenced by evolving inflation expectations.

Botswana

Foreign exchange

The US dollar slightly lost its recent gains against major peers in early trade on Friday which were triggered by the escalation of tensions between the US and Iran as they exchanged fire. There is somewhat a restored calmness as talks between the US and Iran over a permanent peace deal are continuing, according to US officials, despite the clashes that threatened to shatter an already fragile ceasefire. The US is still committed to finding a diplomatic solution with Iran, with ongoing discussions described as technical talks, aiming to agree a permanent peace by around mid-August.



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

Money markets

Market liquidity increased to BWP2,734m from BWP2,691m in the previous session. The interbank market recorded BWP260m in trades at an average rate of 5.42%, 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	5.42%	5.64%	-0.22%	
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 10, 2026	July 9, 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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