

Global markets

In the news

Oil prices declined as traders weighed resilient Middle East flows against rising regional tensions and a US claim that Russia and Ukraine had agreed to a so-called energy ceasefire. Brent Crude slipped toward US\$103/bbl despite Persian Gulf crude exports remaining near pre-war levels.

Foreign exchange

The South African rand opened the week with strong upward momentum, breaking below the psychological 16.50 threshold against the US dollar due to lower morning oil prices and positive technical signals from Friday's close below 16.52. Driven by a surprise Russia-Ukraine ceasefire announcement and gains in US equity futures, the USD/ZAR pair is technically poised to drift toward the 16.45 Fibonacci and moving-average confluence zone, provided Brent crude remains depressed. However, further downward moves are limited ahead of Wednesday's key US CPI report, particularly with the EUR/USD pair pinned near a five-month low below 1.12, while any renewed Middle East oil shocks could push USD/ZAR back up toward 16.59.

Commodities and fixed income

Global commodity markets showed cautious optimism as Brent crude broke below its US\$102.72/bbl support level, flattening refined product risk premiums after a US-announced energy ceasefire between Russia and Ukraine compressed the 2-1-1 Brent crack spread from US\$62/bbl to US\$55/bbl. However, because neither nation has verified the truce, and a weekend Houthi attack on Saudi Arabia's main airport threatens critical energy infrastructure, prices retain a clear technical upside path to US\$115/bbl unless Brent falls below US\$94/bbl (a low 20% probability event). Meanwhile, in fixed income, look ahead to Wednesday's US CPI print to anchor monetary policy, though Fed funds futures currently price in a minimal 17.2% probability of an interest rate hike at the October 28 FOMC meeting.

Botswana

Botswana's food import bill eases slightly in June

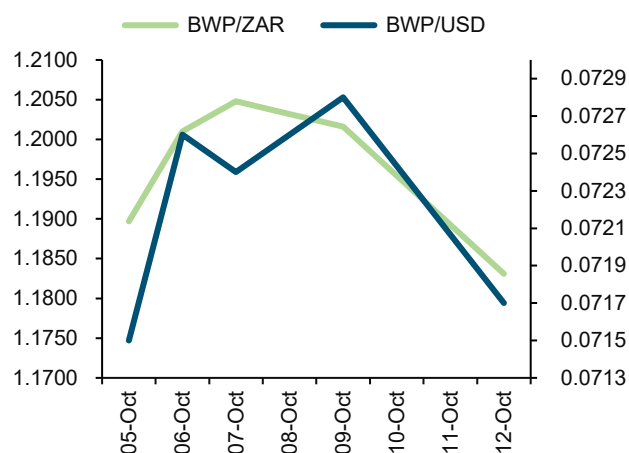
Botswana's food and beverage import bill decreased marginally in June 2026, falling 0.9% m/m to P1.09bn from P1.10bn in May, contrasting with a much sharper 14.7% drop in non-food imports during the month. Food and beverage products accounted for 15.0% of total imports, up from 13.1% in May, underscoring the continued importance of imported food in meeting domestic demand. The monthly decline was largely driven by a reduction in cereal imports (-

25.6% m/m) to P184.9m, alongside lower imports of beverages, spirits, and vinegar (-9.2%), miscellaneous edible preparations (-11.5%), and vegetable preparations (-5.7%). Despite the contraction, cereals remained the largest food import category, accounting for 16.9% of the food import bill, followed closely by beverages (12.7%), animal or vegetable fats and oils (10.3%), and cereal-based processed foods (9.9%).

The composition of imports highlights Botswana's continued dependence on external food supplies, particularly for staple grains. Other maize (43.2%), other wheat (29.3%), and rice (22.4%) accounted for 94.9% of all cereal imports, reflecting sustained reliance on imported staple foods. Within the beverage category, beer made from malt (36.6%) and other fermented beverages (16.9%) dominated imports, followed by flavoured or sweetened waters (12.6%). The baseline figures reinforce Botswana's structural dependence on imported food products, leaving the country continuously exposed to exchange rate movements, global food price volatility, and external supply chain disruptions.

Foreign exchange

The Botswana pula is little changed against the US dollar, opening at Friday's close. Anchoring the US dollar is also brewing concerns that France is heading for a political and fiscal crisis. Hedge funds and other large speculators reversed moves to short the greenback since France's turmoil broke out last month, leading to the biggest 3-week surge in combined US dollar longs ever seen in the CFTC (Commodities Futures Trading Commission) Commitments of Traders data. Key this week in global markets will be the US inflation print, which analysts are expecting to tick up to 3.6% from the previous 3.4%, mainly driven by higher oil prices. 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 BWP4.748bn, up from BWP4.160bn in the previous session. Interbank market activity amounted to BWP90m, transacted at a weighted average rate of 5.25%, while 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	5.25%	5.44%	-0.19%	▼
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 12, 2026	October 9, 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%	▬

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