

RMB

16 October 2026

Global markets

In the news

US equity contracts are slightly higher, boosted after Federal Reserve (Fed) chair Kevin Warsh touted the benefits of artificial intelligence to the US economy. Oil headed for a second weekly advance with Brent Crude trading near US$105/bbl.

Foreign exchange

Risk sentiment remains fragile as concerns over the sustainability of the AI investment boom trigger a rotation out of technology stocks and into defensive assets. While Asian equities sold off sharply, the flight to safety supported US Treasuries, weighed on the US dollar and pushed the DXY down to around 101.8. The softer US dollar and lower US yields have provided support to the rand, with USD/ZAR breaking below 16.45 and extending gains this morning. With Fed officials offering little additional policy guidance and markets continuing to favour safer assets, the rand could remain supported in the near term, although further gains may be more gradual from current levels.

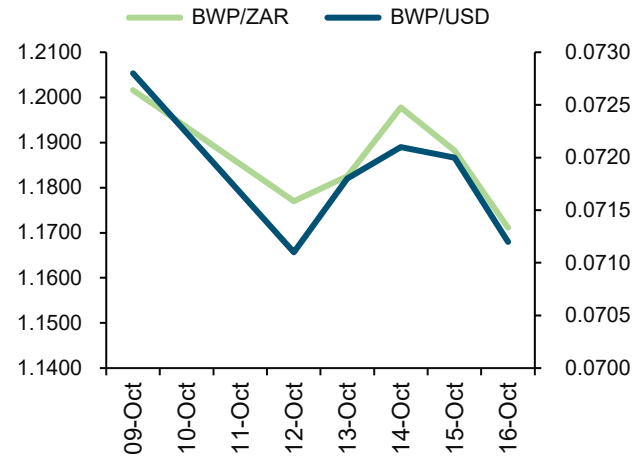
Commodities and fixed income

A sharp rise in risk aversion drove a strong rally in global fixed income markets, with the 10-year US Treasury yield falling around 13bp despite stronger-than-expected US PPI and retail sales data. Safe-haven demand outweighed inflation concerns, helping bond markets recover after recent yield increases. In commodities, Brent crude remains above US$105/bbl as ongoing Middle East tensions and disruptions around the Strait of Hormuz keep a geopolitical risk premium embedded in prices. However, efforts to improve global supply conditions have helped ease some pressure, resulting in a modest pullback in oil prices. Locally, South African bonds benefited from the global rally, with SAGB yields, FRAs and swap rates moving lower as markets unwound some of the hawkish repricing that followed the latest US inflation data.

Botswana

Foreign exchange

The Botswana pula is slightly firmer against the US dollar, which slightly weakened from its previous close in early trade Friday. Global Markets are now expecting the US Fed not to hike interest rates at the next US Fed meeting later this month despite the higher-than-expected US CPI print that came out a few days ago. The Botswana pula will continue to take its cues from global markets.



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

Money markets

Market liquidity closed the day in a long position of BWP3,321bn, significantly lower than BWP6.205bn recorded in the previous session. Interbank market activity totalled BWP845m, transacted at a weighted average rate of 5.37%, while no repo market transactions were recorded. 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	5.37%	5.25%	0.12%	▲
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 16, 2026	October 15, 2026	Variance	Trend
6-m T-bill	29-Jul-25	6.27%	6.27%	0.00%	▬
12-m T-bill	30-Nov-25	6.60%	6.60%	0.00%	▬
BW016	05-May-27	6.50%	6.50%	0.00%	▬
BW014	05-Sept-29	7.73%	7.73%	0.00%	▬
BW011	10-Sept-31	9.18%	9.18%	0.00%	▬
BW012	13-Jun-40	12.00%	12.00%	0.00%	▬
BW015	02-Sept-43	12.20%	12.20%	0.00%	▬
BOTSGB0635	06-Jun-35	9.98%	9.98%	0.00%	▬
BOTSGB1150	02-Nov-50	12.35%	12.35%	0.00%	▬

FXPH +267 395 6749
Email: dlrmbbotswanafxph@rmb.co.za

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