

RMB

20 October 2026

Global markets

In the news

China's central bank signalled it will replace the current seven-day rate with its overnight reverse repurchase rate as the new policy benchmark. The People's Bank of China will study switching the main tenor of its open market operations to overnight at an appropriate time, Governor Pan Gongsheng said.

Foreign exchange

The rand continues to show notable resilience despite a challenging external backdrop. Normally, Brent crude near US$110/bbl, elevated US Treasury yields and heightened geopolitical tensions would place significant pressure on emerging market (EM) currencies. Instead, USD/ZAR has strengthened towards 16.40, supported by continued foreign demand for SAGBs, a softer US dollar, and improved investor positioning ahead of the MTBPS. The DXY has eased back towards 101.8, providing additional support for EM currencies, while EUR/ZAR has fallen to its lowest level since 2023. Although we see scope for USD/ZAR to extend gains towards 16.36, higher oil prices remain a key risk that could reverse some of the recent appreciation.

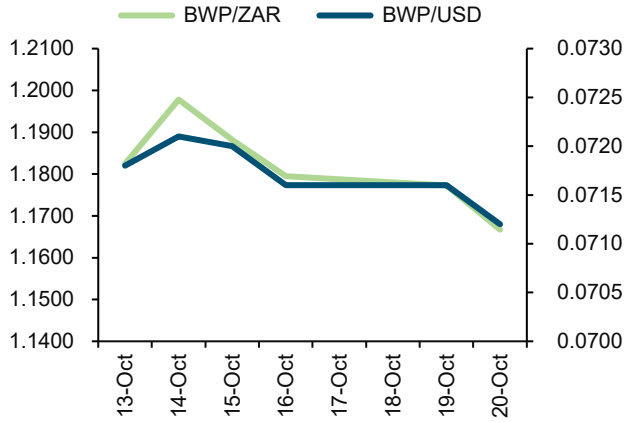
Commodities and fixed income

Oil remains the dominant macro theme, with Brent trading near US$110/bbl as attacks on Saudi infrastructure and tensions around the Strait of Hormuz continue to sustain a sizeable geopolitical risk premium. While markets have so far remained relatively resilient, further gains towards US$117/bbl would pose a material upside risk to inflation and the broader global growth outlook. In fixed income, US Treasury yields remain elevated despite a modest pullback, reinforcing the higher-for-longer rates narrative. Locally, bond yields moved higher across the curve, particularly in the longer-dated segment, as investors priced in the inflationary impact of higher oil prices and adopted a more cautious stance ahead of the CPI release and MTBPS. Attention now turns to today's nominal bond auction, where demand is expected to remain supported despite the longer-duration composition of the issuance.

Botswana

Foreign exchange

The Botswana pula is stronger against the US dollar in early trade on Tuesday as the US dollar retreated slightly from its support. The US dollar was mixed against its Group-of-10 peers. The euro fell as French government bonds slumped after a weekend of violent unrest and rising tensions between the US and Ukraine over its war with Russia. The Botswana pula will be tracking global markets closely.



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

Money markets

Market liquidity closed the day in a long position of BWP3.480bn, reflecting a modest improvement from BWP3.321bn recorded in the previous session. Interbank market activity remained robust, with transactions totalling BWP830m at a weighted average rate of 5.43%, while the repo market remained inactive, with no trades recorded during the session. 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	5.43%	5.49%	-0.06%	▼
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 20, 2026	October 19, 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%	▬

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