

RMB

26 October 2026

Global markets

In the news

China scaled back its fiscal austerity policies only slightly last month, then delivered a modest stimulus package to ensure the economy hits Beijing's annual growth target. Bank of England officials are sending their most hawkish signals in over three years, laying the ground for an interest-rate hike as early as next month. European Central Bank (ECB) president Christine Lagarde is expected to announce her departure from the bank as early as November this year, with global markets now monitoring possible successors.

Foreign exchange

The rand has surrendered some of its post-MTBPS gains, with USD/ZAR trading around 16.51 after touching lows near 16.33 earlier in the week. However, the move remains relatively contained given Brent's surge towards US$114/bbl. The currency is currently being supported by lower US Treasury yields and a broadly stable dollar, with the DXY holding near 101.7 despite rising geopolitical tensions. Improved domestic fiscal sentiment following the MTBPS also continues to provide support, suggesting that USD/ZAR is likely to remain range-bound in the near term, with scope to drift back towards 16.45 as market volatility stabilises.

Commodities and fixed income

Brent crude remains the dominant macro driver, climbing towards US$114/bbl amid renewed attacks on Saudi energy infrastructure and ongoing supply concerns around the Strait of Hormuz. Elevated oil prices continue to pose upside risks to inflation and global growth. However, a sharp sell-off in technology and AI-related equities has triggered a flight to safety, pushing the US 10-year Treasury yield below 5% as investors rotate into bonds. Locally, bond markets have come under mild pressure, with SAGBs, swaps and FRAs edging higher as investors weigh the supportive post-MTBPS fiscal backdrop against the inflation risks associated with higher oil prices. While lower US yields should offer some support to local bonds, sustained oil prices above US$110/bbl remain the key risk to the recent rally in fixed income markets.

Botswana

Botswana's trade deficit widens in August

Botswana's merchandise trade deficit widened to BWP2.45bn in August 2026, from a revised BWP1.10bn deficit in July, as stronger import growth more than offset export earnings. Total imports increased by 13.3% m/m to BWP8.21bn, driven primarily by a sharp rise in diamond imports (+162.9% m/m) and higher fuel imports (+7.5% m/m), while exports declined by 6.3% m/m to P5.76bn, largely reflecting weaker diamond exports (-10.5% m/m). Diamonds and fuel remained the largest import categories, accounting for 17.6% and 22.0% of total imports respectively, while diamonds and copper represented 62.2% and 21.7% of total exports.

Trade patterns continued to highlight Botswana's dependence on both regional supply chains and mineral exports. The SACU region remained the dominant source of imports, accounting for 70.8% of total imports, with South Africa alone contributing 56.9%. On the export side, Asia was the largest destination, absorbing 43.7% of exports, followed by the European Union at 28.4%. Key export markets included Belgium (28.2%), the United Arab Emirates (19.0%), and China (13.5%), reflecting continued demand for Botswana's diamonds and copper.

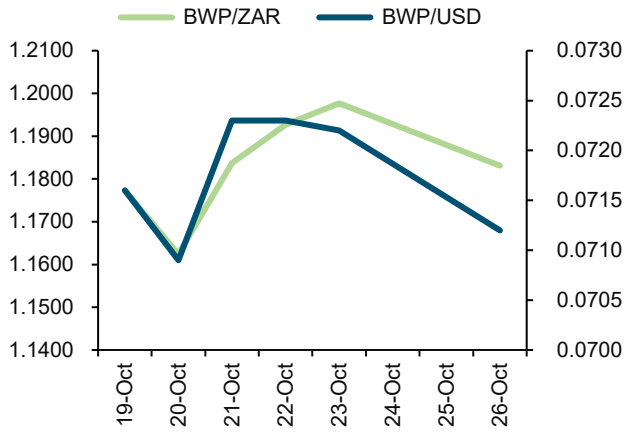
The August trade figures suggest that while mineral exports remain the primary source of foreign exchange earnings, export performance remains vulnerable to fluctuations in the diamond market. The widening trade deficit, combined with the decline in diamond exports, underscores the importance of sustained diversification efforts and stronger non-diamond export growth to improve Botswana's external position over the medium term.

Foreign exchange

The Botswana pula is on the back foot against the US dollar, which is on a strong rally early trade Monday morning ahead of a slew of monetary policy data this week. The US Federal Reserve and its peers in the euro zone and Japan are expected to keep their interest rates steady in the coming week, opting to bide their time before potential further hikes. This week, all eyes will be on the US Federal Reserve, which raised rates in September for the first time since 2023 and signalled another increase was likely this year. This Friday, the Bank of Botswana will conduct the Botswana government securities auction and look to raise BWP3.5bn in Treasury bills as well as BWP700 m in government bonds at the October auction.

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

Money markets

Market liquidity closed the day at BWP5.212bn, an increase from BWP4.874bn in the previous session. There were no interbank market and repo transactions 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	5.50%	5.50%	0.00%	
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 26, 2026	October 23, 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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