

RMB

27 October 2026

Global markets

In the news

Chinese industrial companies saw their earnings grow at the fastest rate in three months, lifted by rising producer prices against the backdrop of higher energy costs. Industrial profits climbed 14.4% in September from a year earlier, up from 4.2% in August, according to data released by the National Bureau of Statistics.

Foreign exchange

The rand remains under pressure as a stronger US dollar and elevated oil prices continue to create a challenging backdrop for emerging-market currencies. The DXY has moved back above 102, supported by rising US yields as improving equity sentiment reduces demand for safe-haven Treasuries. With Brent still around US$114/bbl and the Federal Reserve (Fed) expected to maintain a restrictive policy stance, USD/ZAR remains biased higher in the near term. Unless oil prices retreat or the dollar weakens materially, scope remains for a move towards 16.75.

Commodities and fixed income

Global risk sentiment has improved following a rebound in AI and technology stocks, reversing some of last week's flight-to-safety trade. As a result, US Treasury yields have stabilised near 5%, reducing support for bond markets. However, oil remains the dominant macro risk, with Brent holding around US$114.5/bbl and continuing to pose upside risks to inflation and interest rates. Locally, fixed income markets have remained relatively stable, with the improved fiscal outlook following the MTBPS continuing to anchor SAGBs despite the difficult external environment. Nevertheless, higher oil prices and any renewed rise in global yields remain key risks for local bonds going forward.

Botswana

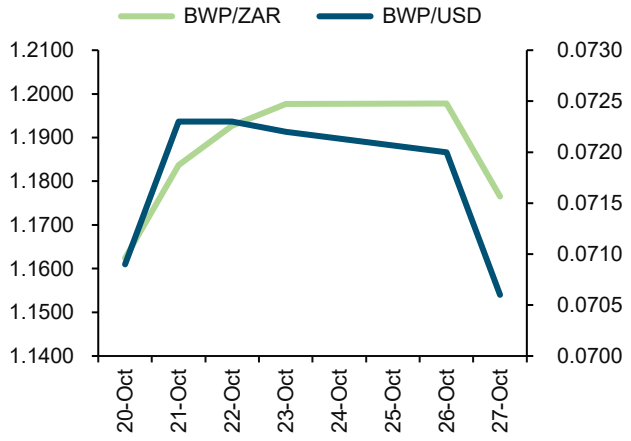
AFDB approves Botswana's US$503.8m facility

The African Development Bank (AfDB) has approved a US$503.8m (BWPP6.62bn) policy-based loan to Botswana under the Economic Competitiveness and Transformation Support Programme (ECTSP), providing both fiscal support and funding for reforms aimed at strengthening economic resilience, supporting private sector-led growth and accelerating job creation. The financing comes at a time when Botswana continues to face pressure from a prolonged downturn in the diamond market and higher energy costs linked to global geopolitical tensions. The programme supports the government's economic transformation agenda and targets improvements in non-mining revenue mobilisation, increased private investment and expanded support for MSMEs, while also helping to cushion households from higher living costs through temporary fuel levy relief and targeted support for vulnerable groups.

Beyond short-term economic relief, the programme seeks to address key structural constraints to growth through reforms in energy, land administration, procurement and private sector development. Planned interventions include expanding electricity access, increasing renewable energy investment through competitive auctions, improving fuel security, accelerating land titling and broadening access to finance for businesses. The programme is expected to support over 3,000 MSMEs and create nearly 4,000 jobs by 2027/28, while implementation of e-procurement and other reforms should improve public sector efficiency. Over the medium term, the success of the programme will depend on the effective execution of these reforms and their ability to catalyse private investment, diversify economic activity and reduce Botswana's reliance on the diamond sector.

Foreign exchange

The greenback held on to its recent gains against the Botswana pula as risk-off sentiment continues to linger in global markets. Furthermore, more eyes are fixed on the policy decisions scheduled for this week, with the US Fed and its peers in the euro zone and Japan being expected to keep their interest rates steady in the coming week, opting to bide their time before potential further hikes. 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 BWP700m in government bonds at the October auction.



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

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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 27, 2026	October 26, 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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