BOTSWANA DAILY MARKET UPDATE

RMB

28 July 2026

Global markets

In the news

China set a ceiling on new US tariffs and warned Washington against sanctioning Chinese artificial intelligence companies, drawing boundaries just weeks before the next meeting between President Donald Trump and Chinese leader Xi Jinping.

Foreign exchange

Foreign exchange markets remain cautious ahead of Wednesday's Federal Open Market Committee (FOMC) decision, with the US dollar holding firm and the US Dollar Index (DXY) trading around 101.5 as markets continue to price a 37% probability of a 25bp rate hike. The euro remains under pressure below 1.1400, while sterling trades defensively near 1.3300 as investors await policy guidance from both the Federal Reserve (Fed) and the Bank of England. The South African rand continues to underperform following the South African Reserve Bank's unexpected decision to leave the repo rate unchanged at 7.00%, which reduced the anticipated carry advantage and prompted an unwinding of long-rand positions. Consequently, USD/ZAR remains elevated around 16.79 despite lower oil prices and easing geopolitical tensions. We expect the pair to trade within the 16.65–16.85 range ahead of the FOMC meeting, with downside limited by domestic policy repricing and upside risks dependent on a hawkish Fed outcome.

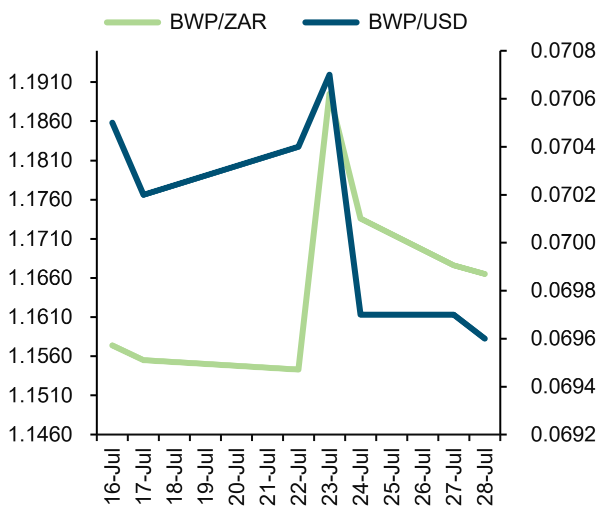
Fixed income and commodities

Commodity markets continue to price a gradual easing of geopolitical risks as Brent crude extends its decline to around US$87/bbl following reports that the US has paused military action against Iran and discussions are underway to restore shipping through the Strait of Hormuz. Lower oil prices have eased inflation concerns and supported global bond markets, although the broader outlook remains fragile given persistent disruptions to regional energy infrastructure and the slow normalisation of tanker traffic. Gold remains under pressure near US$4,045/oz as investors await clarity on the Fed's policy outlook. In fixed income markets, South African government bonds rallied strongly following the decline in global yields, with gains concentrated in the belly and long end of the curve, while swap rates and forward rate agreements also repriced lower as near-term tightening expectations softened. Today's National Treasury auction of the R2037, R2038 and R2040 bonds is expected to attract solid demand from both domestic and offshore investors, supported by elevated nominal yields and continued confidence in the intermediate segment of the yield curve.

Botswana

Foreign exchange

The Botswana pula is steady against the US dollar in early trade Tuesday ahead of the US Fed interest rate decision set for tomorrow. The Fed will enter its policy meeting amid renewed price pressures, which could make the decision to either hold interest rates steady or raise them a particularly close call. Renewed tensions in the Middle East and a demand boom fuelled by artificial intelligence have sent oil prices soaring, overshadowing a tamer-than-expected June consumer price reading. Investors in recent days have also boosted their bets the central bank could hike rates at this week's meeting, putting the odds close to 40% at one point last week. The rand rebounded slightly against the US dollar after oil fell the most in two months as the US and Iran paused hostilities, easing tensions in the five-month-old conflict. The Botswana pula will continue to track global market events in today' session.



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

Money markets

Market liquidity closed the day at BWP4,753m compared to BWP4,643m recorded at the end of the previous week. Interbank market activity softened, with volumes declining to BWP430m at a weighted average rate of 5.37%. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

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Credit Facility Rate				
Rate	Actual	Previous	Variance	Trend
Unsecured interbank yield	5.37%	5.23%	0.14%	
Secured interbank yield	0.00%	0.00%	0.00%	
1-month BoBC	6.05%	6.05%	0.00%	
91-day T-bill	9.10%	9.10%	0.00%	
182-day T-bill	9.58%	9.58%	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	July 28, 2026	July 27, 2026	Variance	Trend
6-m T-bill	29-Jul-25	9.58%	9.58%	0.00%	
12-m T-bill	30-Nov-25	10.50%	10.50%	0.00%	
BW016	05-May-27	10.50%	10.50%	0.00%	
BW014	05-Sep-29	10.60%	10.60%	0.00%	
BW011	10-Sep-31	11.75%	11.75%	0.00%	
BW012	13-Jun-40	12.58%	12.58%	0.00%	
BW015	02-Sep-43	12.85%	12.85%	0.00%	
BOTSGB0635	06-Jun-35	11.90%	11.90%	0.00%	
BOTSGB1150	02-Nov-50	13.18%	13.18%	0.00%	

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