BOTSWANA DAILY MARKET UPDATE

RMB

28 September 2026

Global markets

In the news

Gold prices opened this morning's session on a softer note following a weekly decline of more than 2%, as elevated oil prices and stronger US activity data reinforced expectations that the Federal Reserve (Fed) may need to keep interest rates high for longer.

Foreign exchange

The US dollar remains supported by aggressive Fed tightening expectations and elevated US Treasury yields, with the DXY trading above 101 and potentially testing 101.74. The risk-off backdrop has weighed on the rand, pushing USD/ZAR from below 16.31 to around 16.36. Near-term risks remain tilted towards further rand weakness while oil and US yields remain elevated, although 16.42 represents an important resistance level; a break above could open the way towards 16.54. Without such a break, softer US labour market data this week could moderate Fed expectations and allow USD/ZAR to retreat below 16.31 towards 16.18.

Commodities and fixed income

Brent crude climbed to around US$106/bbl after the latest setback in US-Iran negotiations over reopening the Strait of Hormuz, although prospects for renewed diplomacy could limit further gains. A move above US$107.20/bbl would strengthen the technical case for a rally towards US$115/bbl, while options markets currently assign relatively low probability to such an outcome. In fixed income, US Treasury yields remain elevated, with the 10-year around 5.2%, while South African bonds continue to weaken following the South African Reserve Bank's 25bp hike. The South African Government Bond curve bear-steepened on Friday, with yields across the belly and long end rising around 7–8bp. Higher oil prices, US dollar strength and elevated global yields are likely to maintain upward pressure on local yields in the near term.

Botswana

Botswana's trade deficit narrows as exports recover in July

Botswana's merchandise trade position improved in July 2026, with the trade deficit narrowing to P1.90bn, from a revised P2.49bn in June. Total exports increased by 2.0% m/m to P5.16bn, while imports declined by 6.4% to P7.06bn, resulting in a 23.5% narrowing of the monthly trade deficit. The improvement in exports was largely supported by an 11.9% m/m increase in diamond exports, while the decline in imports primarily reflected a 48.5% reduction in diamond imports.

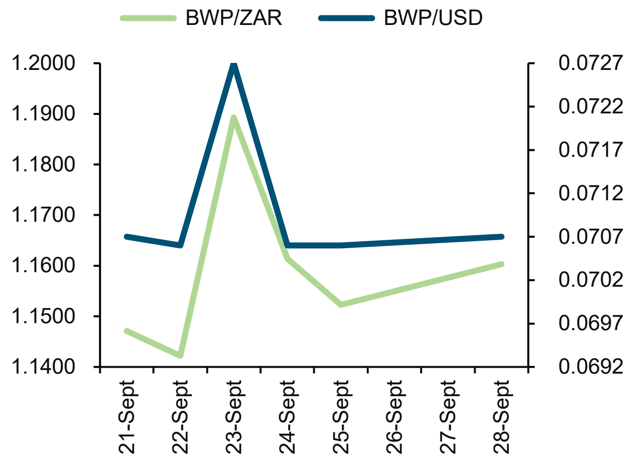
Diamonds remained Botswana's dominant export, accounting for 60.2% (P3.11bn) of total exports, followed by copper at 23.1% (P1.19bn) and machinery and electrical equipment at 6.2%. On the import side, fuel accounted for the largest share at 23.7%, followed by machinery and electrical equipment (19.2%), food, beverages, tobacco (15.9%), and chemicals and rubber products (11.5%).

Trade remained concentrated among key partners. Asia absorbed 60.4% of Botswana's exports, led by the UAE, China and India, while the South African Customs Union (SACU) accounted for 63.4% of imports, with South Africa alone supplying 58.3% of total imports. The July print points to a moderation in Botswana's external trade imbalance, supported by recovering diamond export receipts and softer imports, although the country remained in a sizeable trade deficit.

Foreign exchange

The US dollar is strengthening against the South African rand and the pula, with risk sentiment easing after Iran indicated it would not soften its conditions for reopening the Strait of Hormuz, maintaining uncertainty around a key route for global energy supplies. US President Donald Trump rejected Iran's seven-day proposal to reopen the waterway, although he noted that negotiations could resume later this week. Locally, Moody's downgraded Botswana's sovereign rating to Baa2 from Baa1, with the outlook revised to stable from negative, citing weakening fiscal resilience and rising government debt. The agency expects debt to rise to 41% of GDP by the 2027 financial year, as persistent fiscal deficits continue despite recent consolidation measures. Market focus will remain on geopolitical developments, the latest US jobs data, and the personal consumer expenditure (PCE) index for further policy direction.

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



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

Money markets

Market liquidity remained broadly stable, closing at BWP2.394bn on Friday, up from BWP2.270bn the previous day. Interbank volumes amounted to BWP350m at a weighted average rate of 5.45%, with repo market activity remaining muted. 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	5.45%	5.44%	0.01%	
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	September 28, 2026	September 25, 2026	Variance	Trend
6-m T-bill	29-Jul-25	6.78%	6.78%	0.00%	
12-m T-bill	30-Nov-25	7.98%	7.98%	0.00%	
BW016	05-May-27	7.88%	7.88%	0.00%	
BW014	05-Sept-29	8.85%	8.85%	0.00%	
BW011	10-Sept-31	9.20%	9.20%	0.00%	
BW012	13-Jun-40	12.25%	12.25%	0.00%	
BW015	02-Sept-43	12.59%	12.59%	0.00%	
BOTSGB0635	06-Jun-35	9.98%	9.98%	0.00%	
BOTSGB1150	02-Nov-50	12.95%	12.95%	0.00%	

FXPH +267 395 6749
Tshiamo Kgame tshiamo.kgame@rmb.co.bw; Sapphire Mahlaka Sapphire.Mahlaka@rmb.co.bw; Baile Corrigan: bcorrigan@rmb.co.bw; Takunda Charumbira Takunda.Charumbira@rmb.co.bw; Boikanyo Lekoko boikanyo.lekoko@rmb.co.bw; Lame Koboyakgomo Lame.Koboyakgomo@rmb.co.bw; Ross Rakanyane Ross.Rakanyane@rmb.co.bw; Same Makwiti smakwiti@rmb.co.bw