RMB

29 July 2026

Global markets

In the news

Geopolitical tensions remain in the Middle East as the US military says it successfully intercepted an Iranian “attempted surprise attack” on US troops based in the Middle East just as President Trump had noted progress on diplomatic efforts.

Foreign exchange

Foreign exchange markets adopted a risk-off tone overnight as renewed US-Iran tensions and continued weakness in AI-related equities boosted demand for the US dollar ahead of the Federal Reserve's policy announcement. Despite Fed funds futures continuing to price at least two rate hikes through October 2027, softer US labour market data and weaker consumer confidence have strengthened the case for a more cautious policy stance. The Conference Board's latest survey points to further deterioration in labour market conditions, suggesting the unemployment rate could rise to 4.4% in July, potentially tempering the Fed's hawkish bias. Against this backdrop, USD/ZAR rebounded from an overnight low of 16.64 to around 16.77 but remains below the key 16.80 resistance level. We expect the pair to remain range-bound ahead of the FOMC decision, with a renewed test of 16.71 support possible should the Fed deliver a less hawkish-than-expected outcome. Technical indicators continue to favour medium-term rand resilience, with 16.60 remaining the key bearish acceleration level for USD/ZAR.

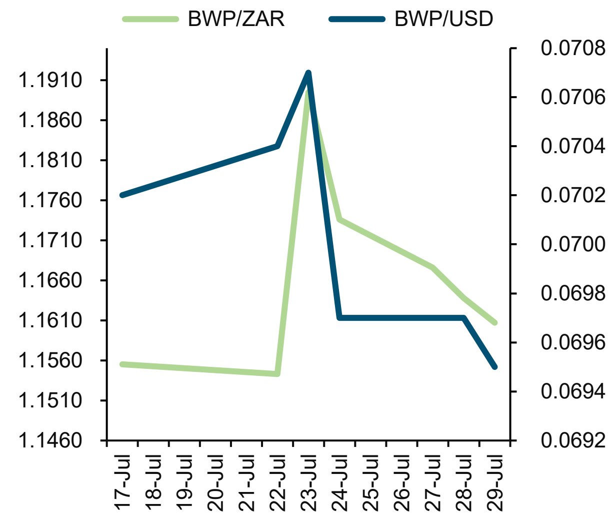
Fixed income and commodities

Commodity markets repriced geopolitical risk after reports that US forces intercepted an Iranian ballistic missile attack targeting American bases, pushing Brent crude above technical resistance to US$88/bbl. Although near-term momentum suggests oil could test US$91.20/bbl, the broader technical outlook remains bearish while prices stay below US$94/bbl, with options markets assigning an 80% probability that Brent will remain beneath this threshold. Investor attention now turns to the Federal Reserve's policy decision, where softer US inflation and labour market indicators may offset the inflationary implications of higher oil prices. In fixed income markets, South African government bonds extended yesterday's rally, with gains concentrated in the belly and long end of the curve as nominal yields declined by 14.5–16 basis points beyond the R2030 maturity. Swap rates and forward rate agreements also moved lower as expectations for near-term policy tightening eased, while inflation-linked bonds delivered mixed performance, with the I2050 and I2058 outperforming as real yields declined.

Botswana

Foreign exchange

The US dollar weakened slightly against the Botswana pula in early trade on Wednesday ahead of the US Federal Reserve’s (Fed) decision scheduled for later in the day. The Fed is expected to hold interest rates steady, but market participants are eyeing the possibility of a surprise hike as patience with high inflation wears thin. Fed officials have kept rates on hold this year as they wait for temporary price pressures to wane, but concern is mounting that inflation won’t reach the Fed’s target unless higher rates are used to rein in demand. The market’s uncertainty can be pinned squarely on Chairman Kevin Warsh’s interest rates to lower inflation, and the probability of a hike implied by federal funds futures has reached as high as 40%. This Friday, the Bank of Botswana will host a government securities auction, seeking to raise BWP5.1bn t Treasury bills and bonds from the domestic debt market against the expected Treasury bill maturities of BWP4.16bn.



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

Money markets

Market liquidity closed the day at BWP4,367m compared to BWP4,753m recorded at the end of the previous week. Interbank market activity declined to BWP260m at a weighted average rate of 5.17%. 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	5.17%	5.37%	-0.20%	▼
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 29, 2026**	**July 28, 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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