31 July 2026

Global markets

In the news

The Japanese yen surged as much as 3.3% after Japan launched a large-scale operation to buy the currency. According to some reports, Japan intervened to bolster the currency, and the US authorities conducted a rate check with several banks to provide the exchange rates at which they would buy and sell currencies.

Foreign exchange

Foreign exchange markets have adopted a more constructive tone, with the US dollar stabilising near 100.20 following the Federal Reserve's decision to keep rates unchanged. Mixed US economic data has left markets uncertain over the future policy path, while the Bank of Japan maintained interest rates at 1%, generating limited spillover beyond the yen. Against this backdrop, USD/ZAR traded around 16.52 after retreating from above 16.70, supported by improving global risk sentiment, lower oil prices and the Fed's pause. We expect 16.50-16.40 to provide near-term support, while 16.65-16.70 remains the key resistance zone.

Fixed income and commodities

Commodity markets remain focused on the Middle East, with improving tanker traffic through the Strait of Hormuz helping Brent crude ease towards US$88/bbl. However, ongoing US-Iran hostilities and threats to regional energy infrastructure continue to pose upside risks to oil prices. In fixed income markets, South African bonds rallied, led by gains in the front end and belly of the curve as yields and swap rates declined. Attention now turns to today's National Treasury auction of the I2031, I2050 and I2058 inflation-linked bonds, where investor demand for inflation protection is expected to remain firm.

Botswana

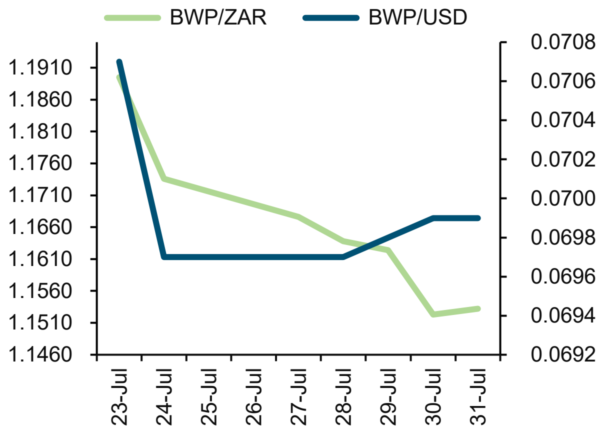
Botswana’s trade deficit widens in May

Botswana's merchandise trade weakened in May 2026 as both imports and exports declined from the previous month, resulting in a wider trade deficit. Imports fell by 4.1% month-on-month to P8.1bn, largely reflecting a sharp decline in vehicle and transport equipment imports, alongside lower machinery and electrical equipment purchases. Exports contracted more significantly, declining by 22.4% to P4.8bn, primarily due to weaker diamond and copper exports. Consequently, the trade deficit widened to P3.25bn, marking the second largest monthly deficit recorded in 2026. Despite the softer trade performance, imports continued to be dominated by fuel (24.5% of total imports), diamonds (19.1%), machinery and electrical equipment (15.0%), and food, beverages and tobacco (13.9%).

Trade patterns continue to underscore Botswana's dependence on regional supply chains and mineral exports. The SACU region remained the country's principal source of imports, accounting for 69.6% of total imports, with South Africa alone supplying 57.4%. On the export side, Asia remained Botswana's largest market, absorbing 58.5% of total exports, led by the United Arab Emirates, China and India. Diamonds retained their position as the country's dominant export, contributing 59.0% of export earnings despite the monthly decline, while copper accounted for a further 25.6%. The sharp fall in both diamond and copper exports highlights the continued sensitivity of Botswana's external sector to fluctuations in global mineral demand and commodity market conditions.

Foreign exchange

The South African rand continues its strengthening trend, driven by a combination of US-Japan yen intervention and easing oil prices, which gives support to emerging market currencies. Crude flows out of the Persian Gulf increased despite renewed military exchanges between the U.S and Iran and an expanding regional conflict.



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

Money markets

Market liquidity declined by BWP2,184m to close at BWP2,437m, down from BWP4,621m at the end of the previous week. The decrease was primarily driven by settlements relating to short-dated securities (7D BOBCs). Interbank market activity also eased to BWP340, traded at a weighted average rate of 5.47%. Moreover, the seven-day Bank of Botswana Certificate (BoBC) stop-out yield was 5.50%.

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

Credit Facility Rate				
Rate	Actual	Previous	Variance	Trend
Unsecured interbank yield	5.47%	5.20%	0.27%	
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 31, 2026	July 30, 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%	

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