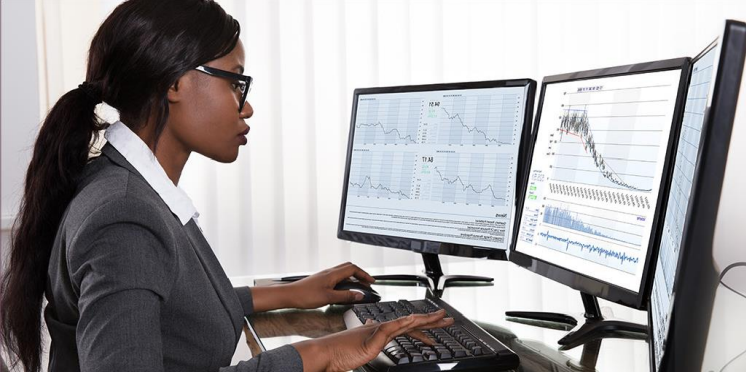


Botswana Market Watch



GMT	Country	Data event or release	Period	Market Exp	Previous
-	BW	Empty data card			
07:00	US	Fed's Waller Discusses Central Bank Digital Currencies			
13:00	EC	ECB Publishes Economic Bulletin			
13:30	US	CPI	Oct	7.9%	8.2%
13:30	US	Initial Jobless Claims	05-Nov	220k	217k
13:30	US	Continuing Claims	29-Oct	1500k	1485k
13:00	UK	BOE's Dave Ramsden speaks			
14:35	US	Fed's Logan Speaks at Energy and the Economy Conference			
17:30	US	Fed's Mester Discusses the Economic Outlook			
18:30	US	Fed's George Speaks at Energy and the Economy Conference			
19:00	US	Monthly Budget Statement	Oct		-\$429.7b

Factors Overnight	What happened?	Relevance	Importance	Analysis
US Mid-Term elections	Although all the results are not in, there has been a shift in support in the House towards the Republicans. The Senate remains neck and neck and undecided	President Biden has vowed to work with Republicans in what is likely to be a divided Congress	4/5 (politics, economy)	A divided Congress means that the Biden administration will fail to push through all its spending initiatives. The less expansive approach may ease the pressure on the Fed to act on inflation
Bitcoin	In the past week, Bitcoin is down more than 20% on the news that the FTX deal with Binance had collapsed. Prospects for the exchange are unclear	The possible collapse of FTX will further dent the confidence investors have in their crypto exposure	4/5 (market)	Alleged mishandling of customer funds and US agency investigations has investors on high alert, with many choosing the exit door. This does nothing to promote cryptocurrencies
UK House Prices	UK house prices are falling for the first time in 28 months amid rising mortgage rates and buoyant inflation. The RICS house price balance fell to -2	The outlook is even worse, with the expectations for the house price balance falling to -48 from -18	5/5 (economy, market)	The implication is that there will be a major impact on household balance sheets which will propel a negative credit cycle. Recessionary conditions are now looking inevitable

Factors on the Radar	What happened?	Relevance	Importance	Analysis
Meta cuts jobs	Meta Platforms indicated on Wed that it would cut 11,000 jobs or 13% of its workforce as its finances eroded and it doubled down on its metaverse ambitions	Much of this has to do with Meta, but it also represents changes in underlying labour mkt conditions	4/5 (economy, market)	As the world transitions away from the stay-at-home culture and back towards a more normalised work experience and as the economy slows due to inflation and rate hikes, job losses will increase
British - Irish Council	In a bid to rebuild relations, PM Sunak will be the first British PM in 15 years to attend the British - Irish Council summit today	Sunak plans to update leaders of the devolved govts on his fiscal plans	4/5 (politics, fiscal policy, economy)	How he will be received is unclear, especially by Scottish leader Sturgeon, but is a step towards rebuilding internal relations with Downing Street
US inflation	US inflation data today will take centre stage, with the market anticipating a moderation in inflation to around 7.9%, depending on the poll	The moderation will confirm that the worst is behind us and that the trend in inflation is down	5/5 (economy, monetary policy)	As the week's main data event, alongside the mid-term elections, the outcome could have implications for US monetary policy and just how much is priced into financial markets

Highlights news vendors

BUSINESS LIVE - [Energy supply near a tipping point, new report warns SA](#)

FT - [Germany should raise taxes on rich to fund €200bn energy plan, advisers say](#)

REUTERS - [British PM Sunak to keep pressing Egypt over hunger striker](#)

SOUTH CHINA POST - [China seeks upgrade of massive trade zone with Southeast Asian nations amid US hostility](#)

Local and regional talking points

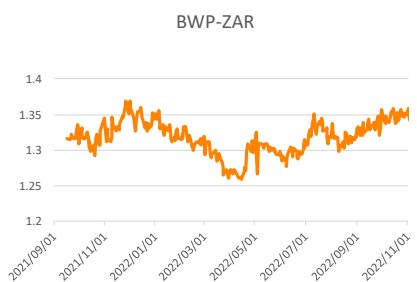
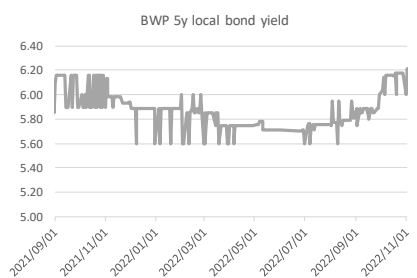
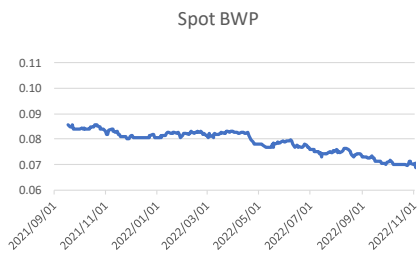
	Corporate Foreign Exchange			
	CUSTOMER BUY		CUSTOMER SELL	
	CASH	CASH	TT	TT
BWPZAR	1.285248	1.296384	1.3100158	1.390912
BWPUSD	0.072384	0.093496	0.0737789	0.078074
GBPWP	15.606864	15.736552	15.269216	14.828674
BWPEUR	0.078104	0.078832	0.0737858	0.077316
JPYBWP	11.4504	11.5544	10.817325	11.304425
USDZAR	17.045184	18.479032	17.444681	18.07924525
EURUSD	0.963072	1.043536	0.985644	1.0209595
GBPUSD	1.09488	1.186536	1.1205413	1.16086575

Interbank Spot Foreign Exchange			Forward Foreign Exchange		
	Close	Change		BWPUSD	BWPZAR
BWPUSD	0.0754	0.0000	1m	-2.29125	0
BWPGBP	0.0661	-0.0003	3m	-6.34725	0
BWPEUR	0.0751	0.00	6m	-12.246	0
BWPZAR	1.3389	0.0036	12m	-24.999	0

	Close	Change
Dollar Index	110.192	-0.357
EURUSD	1.0031	0.002
GBPUSD	1.1404	0.0048
USDJPY	146.1	-0.34
USDNGN	439.79	0
USDZAR	17.7571	0.0064

Local Fixed income			International Fixed Income		
Yield curve	Close	Change		Close	Change
6m	4.406	-0.001	SA 10y	10.5	-0.03
3y	5.15	0	US 10y	4.151	0.023
5y	6.21	0.21	German 10y	2.177	-0.095
20y	8.79	-0.01	Spread SA 5y vs Bots 5y bpts		
22y	8.95	-0.05		268	-22

Equities			Commodities		
	Close	Change		Close	Change
VIX	23.81	-0.81	Gold	1706.32	-6.2
Dow Jones	32513.94	333.83	Brent Crude	1712.52	-2.71
FTSE	7296.25	6.15	3m Copper	1674.68	-11
JSE All share	69640.23	-427.87	LME Index	1680.27	-16.6
Bots DCIBT	7573.39	0	1 carat index	1629.15	#VALUE!
Nigeria Index	43477.48	-807.83			



- The Minerals and Energy Ministry has shortlisted four candidates to design, finance, and build its biggest renewable project, a 200-megawatt concentrated solar plant. The top bidders include a consortium comprising Power China Resources Ltd. and Shandong Electric Power Construction Corporation III and another partnership involving the China- Africa Development Fund and Shouhang High-Tech Energy Co., as well as ACWA Power Co. and Cobra Industrial Services Pty Ltd. The plant, which will use lenses or mirrors to focus a large area of sunlight onto a receiver, should be operational by 2027 and will be Botswana's single largest renewable power plant.

- Unless significant investment is made in climate adaptation, Christian Aid, in a new study, has warned that global warming could slash Africa's economic growth by two-thirds by the end of the century. According to the study, current climate policies will likely see temperatures exceed the pre-industrial average by 2.7C, curbing African growth rates 20% by 2050 and 64% by 2100. According to the study, even a 1.5C rise in temperatures would reduce growth rates by 34% by the century's end.

Financial Market Commentary

- At least for now, the US midterm elections haven't provided an unequivocal driver for global markets. While the race remains tight, the recent move in the USD will not be enough to convince the USD bears to buy back in. Instead, the focus will shift to the US CPI data today to clarify whether Fed's Kashkari has a valid point after saying talk of a Fed pivot was premature or simply trying to jawbone inflation back down through managing expectations.

- The USD-BWP continued to slide yesterday, finishing the session at 13.2190 after encountering some stiff support around 13.170. Whether the pair extends its trend lower towards the 38.2% Fib retracement level at 13.060, a level last touched in mid-September, will depend on the outcome of the US CPI reading. It is important enough that it will keep investors cautious of any position-taking, which might translate to a lethargic USD-BWP market, barring any breaking news out of the US which shows that the Republicans have regained the Senate as well as the House. However, this is looking unlikely at the moment.

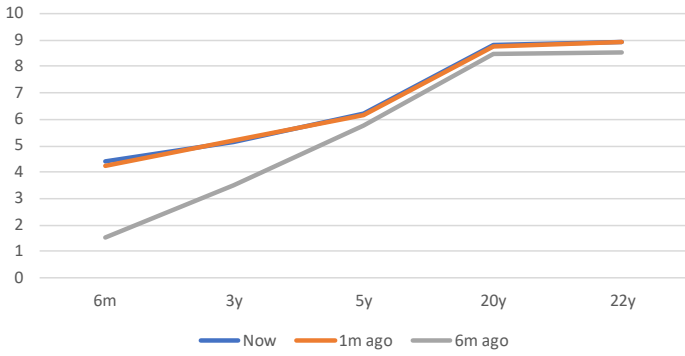
- Core bond markets gained yesterday with the UST curve steepening out following a poor auction for benchmark 10yr debt. Longer-dated tenors underperformed as a result, while some dovish commentary from US Fed officials supported tenors at the front end of the curve. European bonds were also on the front foot as some rate hike bets were trimmed amid strengthening currencies against the USD. The bullish tone from yesterday has filtered through into the early session this morning, with Aussie debt rallying. Focus will now be turning to the US CPI report today, which as always, could drive some volatility in the market.

- The last two CPI releases have driven notable sell-offs in the UST market. This time, however, sentiment is a little different, and the Fed's telegraphed trajectory on rates has changed. A topside surprise could still drive a notable sell-off for bonds, but the magnitude would be smaller compared to the previous bouts of post-CPI weakness

- Oil markets are nursing their losses from yesterday this morning, with Brent trading around \$92.60 per barrel following a more than 4% decline yesterday. The losses were driven by weaker Chinese economic data and concerns over the nation's COVID policies, while US inventories increased sharply last week to add some further downside pressure to the market. US crude stockpiles are now at their highest since July last year, indicating weakening demand as the economy begins to struggle under the aggressive rate hikes implemented by the Fed.

- The COVID situation in China has also wrongfooted the market, with many betting on a reopening in recent weeks. Instead, China has doubled down and even implemented new COVID curbs, keeping fuel demand low and bringing the global recession narrative back into focus. As a result of growing demand concerns, Brent's prompt timespread has narrowed to around \$1.45 per barrel, down 40cents on the week. However, this still points to a tight market as upcoming supply disruptions have been priced in.

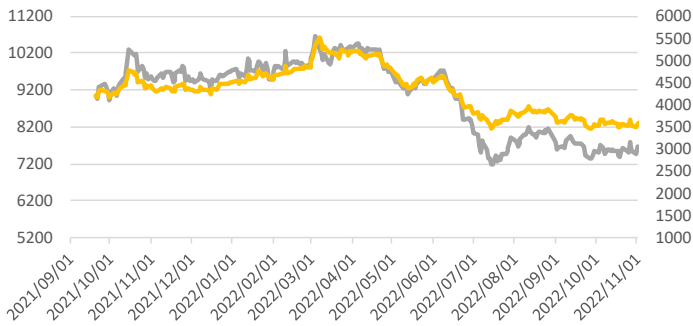
Botswana Yield Curve



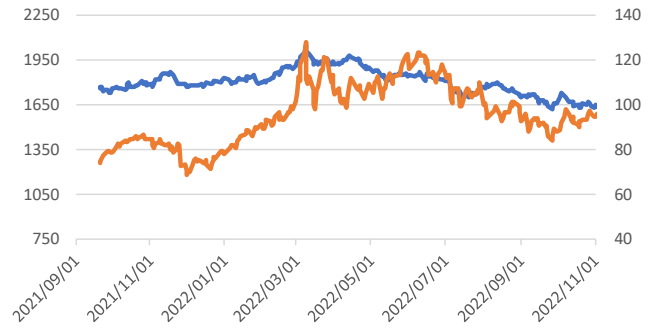
USD Index



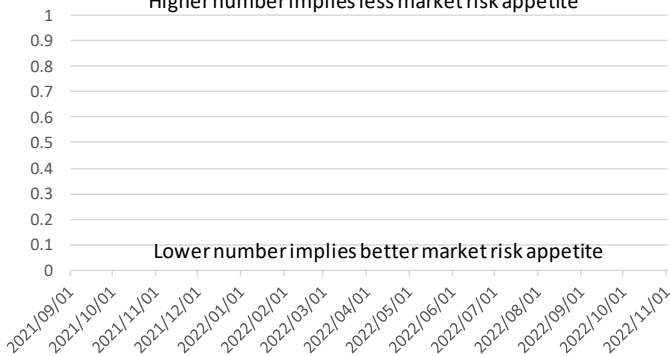
Base metals - Copper L_Hand axis LME Index R_Hand axis



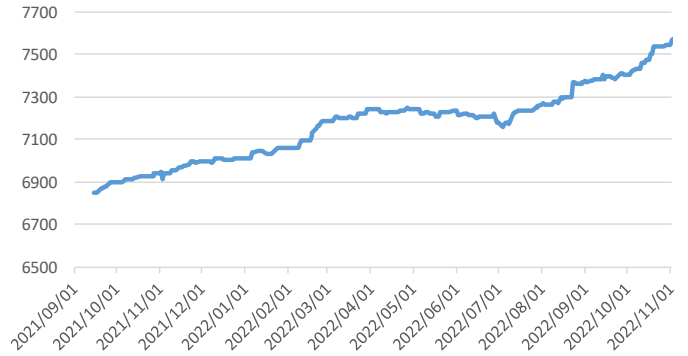
Oil R_Hand Axis - Gold L_Hand Axis



VIX Index - Risk appetite measure Higher number implies less market risk appetite



Local stockmarket performance



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