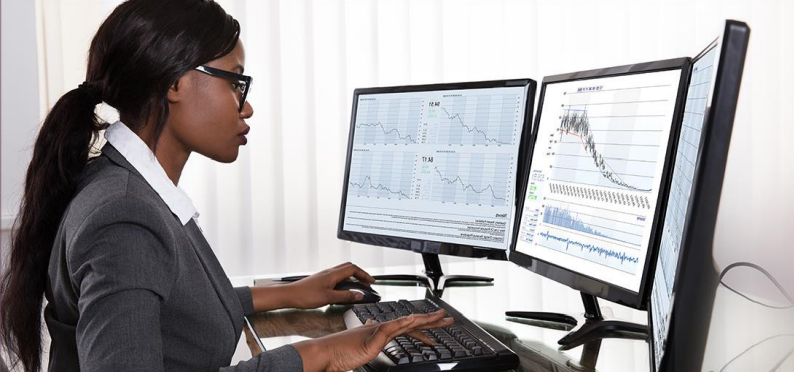


Botswana Market Watch



GMT	Country	Data event or release	Period	Market Exp	Previous
-	BW	Empty data card			
00:01	GB	Rightmove house prices y/y	Nov	7,20% A	7,80%
10:00	EZ	Industrial production (wda) y/y	Sep	2,70%	2,50%

Factors Overnight	What happened?	Relevance	Importance	Analysis
US Mid-Terms	It appears that the Democrats have held the Senate with a small majority as they reached the 50/100 milestone and gained from Kamala Harris' vote	Trump endorsements clearly backfired and detracted from the "big red wave" that was to change policy	3/5 (politics)	Although the Republicans will likely take back the House, this is a disappointing result and detracts from Trump retaking the presidency. Increasingly De Santis is looking like the stronger GOP candidate
China's property market	Chinese authorities have instructed the banks to extend more financial support to property developers still battling a liquidity crunch	The aim is to try and shore up the industry and avoid a larger string of defaults from a failing market	4/5 (economy, market)	Several developers have defaulted on debt obligations in the past twelve months, fuelling a downturn which would gain momentum if there was no intervention to help companies recover
EZ Recession	The yield curve in Germany has inverted, with the 2yr Schatz yield rising above the 10yr bund to signal the first warning that Germany is headed into recession	Germany's economic prospects will determine those of the rest of the eurozone	5/5 (economy, market)	Germany remains the bloc's economic powerhouse and a significant driver of economic activity. If it slows or contracts the rest of the eurozone will follow suit, and the yield curve reflects this as likely

Factors on the Radar	What happened?	Relevance	Importance	Analysis
Biden – Xi meeting	Ahead of the G20 meeting on Tue and Wed, Presidents Biden and Xi Jinping are due to meet to discuss geopolitical decisions	Ukraine, Taiwan and North Korea are all hot topics that need to be tackled	4/5 (geopolitics)	Relations between the two countries are at a low ebb on a host of issues, including how China has dealt with Hong Kong, Taiwan and the Ukraine conflict
UK budget	This week Thursday, Chancellor Hunt will unveil the country's latest budget, and investors should anticipate more austerity	Taxes will rise, and spending will decline to further detract from GDP	4/5 (politics, fiscal policy, economy)	This is deemed a more prudent approach and not based on multiplier effect assumptions as was the case in the Liz Truss government
IMF outlook	The global economic outlook has deteriorated from a month ago, according to the IMF, citing deterioration in the recent PMI data following aggressive monetary policy tightening	Last month, global growth for 2023 was revised down to 2.7% from 2.9% and will likely be revised down yet again	4/5 (economy)	Several country PMIs have dropped into contraction territory, central banks have not yet finished tightening, and inflation continues to remain stubbornly buoyant, all of which will continue to affect GDP growth negatively

Highlights news vendors

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FT – [China extends bank deadline for capping property sector loans](#)

REUTERS – [UK economy shrinks at start of feared long recession](#)

SOUTH CHINA POST - [Japan's failure to produce mass market Covid vaccine highlights 'medical research shortcomings'](#)

Local and regional talking points

- The President of Senegal, Macky Sall, who holds the African Union's rotating Chairmanship, has said that the AU expects to officially join the Group of 20 nations this month. The AU aims to use this opportunity to call on rich countries to honour their promises to tackle climate change, including providing developing countries with \$100bn in financing each year, according to Sall. Sall added that "pledges haven't been fulfilled. There have been some efforts, but they have been below our expectations. When the AU joins the G20, we will be able to speak regularly to our partners." G20 nations are responsible for 80% of global emissions, while Africa accounts for less than 4%.

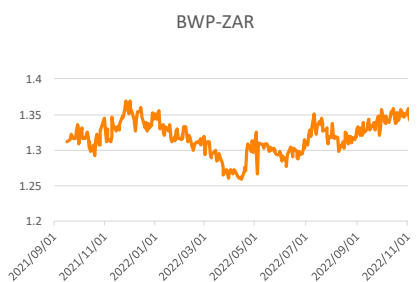
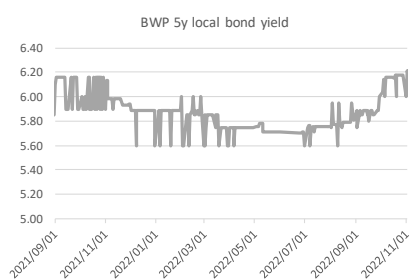
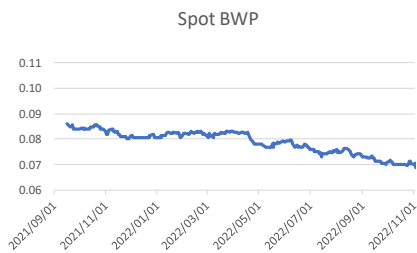
	Corporate Foreign Exchange			
	CUSTOMER BUY	CUSTOMER SELL	CUSTOMER BUY	CUSTOMER SELL
	CASH	CASH	TT	TT
BWPZAR	1.278624	1.289664	1.3032642	1.383702
BWPUSD	0.07392	0.093496	0.0753445	0.079722
GBP/BWP	15.756832	15.880904	15.415939	14.964698
BWPEUR	0.077688	0.078312	0.0733928	0.076806
JPY/BWP	11.1696	11.2528	10.55205	11.00935
USDZAR	16.605024	18.004792	16.994204	17.61526525
EURUSD	0.989568	1.072136	1.012761	1.04894075
GBPUSD	1.128672	1.222832	1.1551253	1.1963765

	Interbank Spot Foreign Exchange		Forward Foreign Exchange	
	Close	Change	BWPUSD	BWPZAR
BWPUSD	0.077	0.0008	1m	-2.145
BWPGBP	0.065	0	3m	-6.23025
BWPEUR	0.0744	0.00	6m	-12.17775
BWPZAR	1.3286	-0.0061	12m	-25.194

	Close	Change
Dollar Index	106.88	0.588
EURUSD	1.0308	-0.0044
GBPUSD	1.1756	-0.0079
USDJPY	139.45	0.66
USDNGN	440.46	0
USDZAR	17.2989	0.0675

Local Fixed Income			International Fixed Income		
Yield curve	Close	Change		Close	Change
6m	4.408	0.003	SA 10y	10.28	-0.22
3y	5.15	-0.001	US 10y	3.829	-0.322
5y	6.2	0.2	German 10y	2.003	-0.174
20y	8.8	0	Spread SA 5y vs Bots 5y bpts		
22y	8.9	-0.1		251	-22

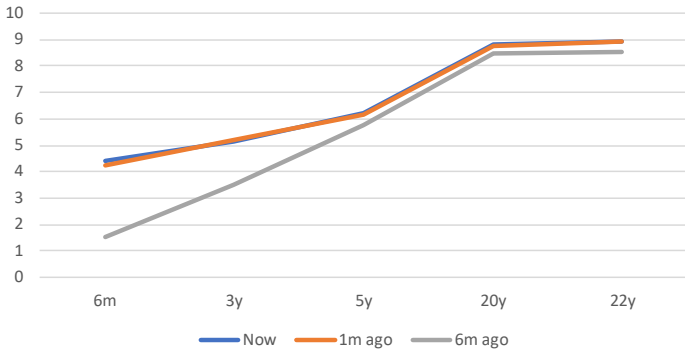
Equities			Commodities		
	Close	Change		Close	Change
VIX	13.85	-0.15	Gold	1770.69	15.94
Dow Jones	33747.86	1201.43	Brent Crude	1754.75	2.32
FTSE	7318.04	79.09	3m Copper	1706.32	221
JSE All share	72982.8	1070.04	LME Index	1712.52	143.1
Bots DCIBT	7590.89	7.37	1 carat index	1674.68	#VALUE!
Nigeria Index	43968.75	465.34			



Financial Market Commentary

- The Southern Africa FX basket has been a mixed bag against the USD on a month-to-date basis, with the Zambian kwacha serving as the laggard. For context, the kwacha has recorded losses against the USD while the South African rand and Botswana pula have chalked up gains. The Mozambican metical, meanwhile, has been relatively unchanged. Zooming out on the Southern Africa FX basket tracked by ETM, it is worth noting that the rand and pula are ranked first and second, respectively, in terms of the best-performing African currencies in November. Specifically, the ZAR has gained more than 6.5%, while the BWP has risen by 3.9%.
- It was a favourable end to the week for the BWP, breaking through the 38.2% Fibonacci retracement level at 13.060/USD to bring the 100DMA at 12.9040/USD into the crosshairs. A breach of which, will see the local currency probe the next key level, the 61.8% retracement at 12.7470/USD. The USD, meanwhile, remains firmly on the defensive. It has not recovered, and investors continue to position themselves for the Fed's pivot.
- US Treasury futures are sliding this morning after Fed Governor Waller pushed back against market optimism that the Fed would significantly slow its policy tightening after last week's CPI miss. Waller suggested that there is still a long way to go before the Fed will stop raising rates, even though the central bank could ease its tightening and only hike by 50bp at either the next meeting or the one after. The 2yr UST yield has thus risen back above 4.400% this morning, while the benchmark 10yr is nearing 3.900%. This has filtered through into the already open markets, with Aussie bonds, for instance, sliding and investors increasing their rate hike bets.
- Bunds were also under pressure on Friday, with yields surging by around 15bp across the curve as the market reversed its cutting of rate hike bets the day prior. ECB members also remain exceedingly hawkish at the moment, jawboning the market into tightening monetary conditions. ECB rate pricing has reached a peak of just over 3.00% by the end of July, matching what was seen before the US CPI data release. Until we see these central bank speakers start to turn decidedly less hawkish, the market will continue to be whipsawed, keeping volatility levels high in other asset classes.
- Oil prices are edging higher as we kick the week off, with traders turning a bit more optimistic over the Chinese demand outlook, while it is still expected that the market will tighten into the end of the year. Last week China announced a new rescue package for its struggling property sector, while several COVID regulations were eased, to the surprise of many. This has prompted some optimism over a demand rebound for the world's largest oil importer, just at a time when market conditions are expected to tighten. Stricter sanctions against Russian crude are coming, while OPEC+ members have cut production this month and will implement relatively hefty cuts next month.
- The US continued to voice its support for a price cap on Russian crude over the weekend through Treasury Secretary Yellen. The price cap will complement Europe's sanctions and, depending on Russia's response, could have a notable impact on prices through the end of the year. Russia could opt not to be subjected to such a measure, cut its production, and cause a notable inflationary spike in many economies worldwide.

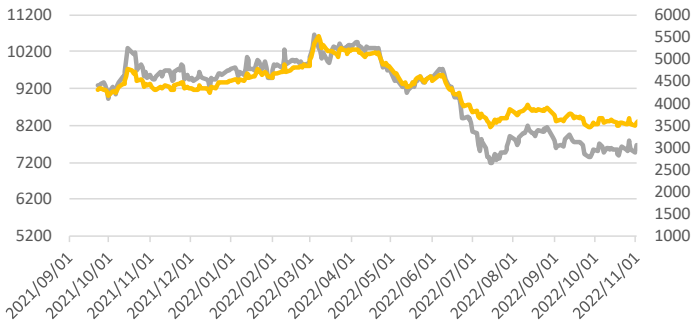
Botswana Yield Curve



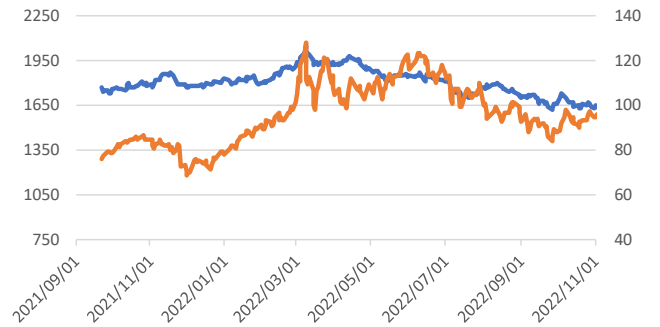
USD Index



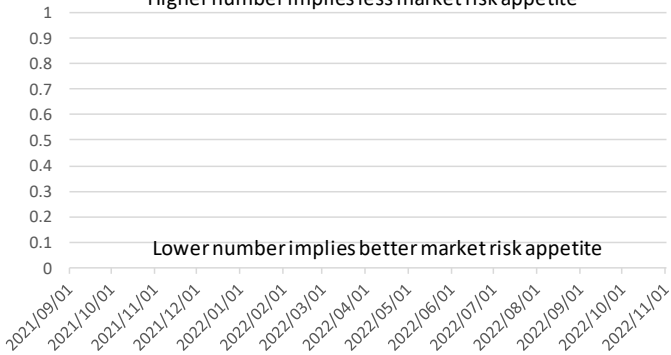
Base metals - Copper L_Hand axis LME Index R_Hand axis



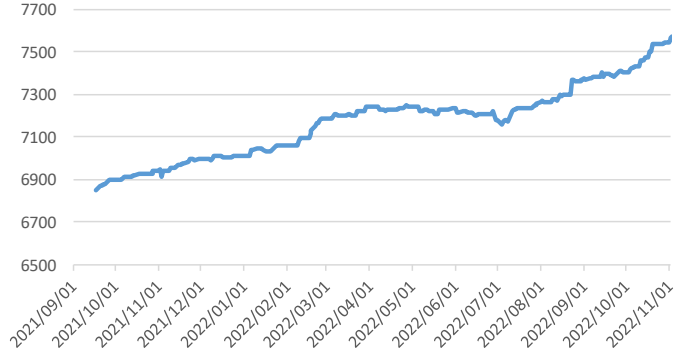
Oil R_Hand Axis - Gold L_Hand Axis



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



Local stockmarket performance



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