

Namibian Inductive Daily Bond Yield Report (21 February 2023)

HEI Fixed Income Market Commentary

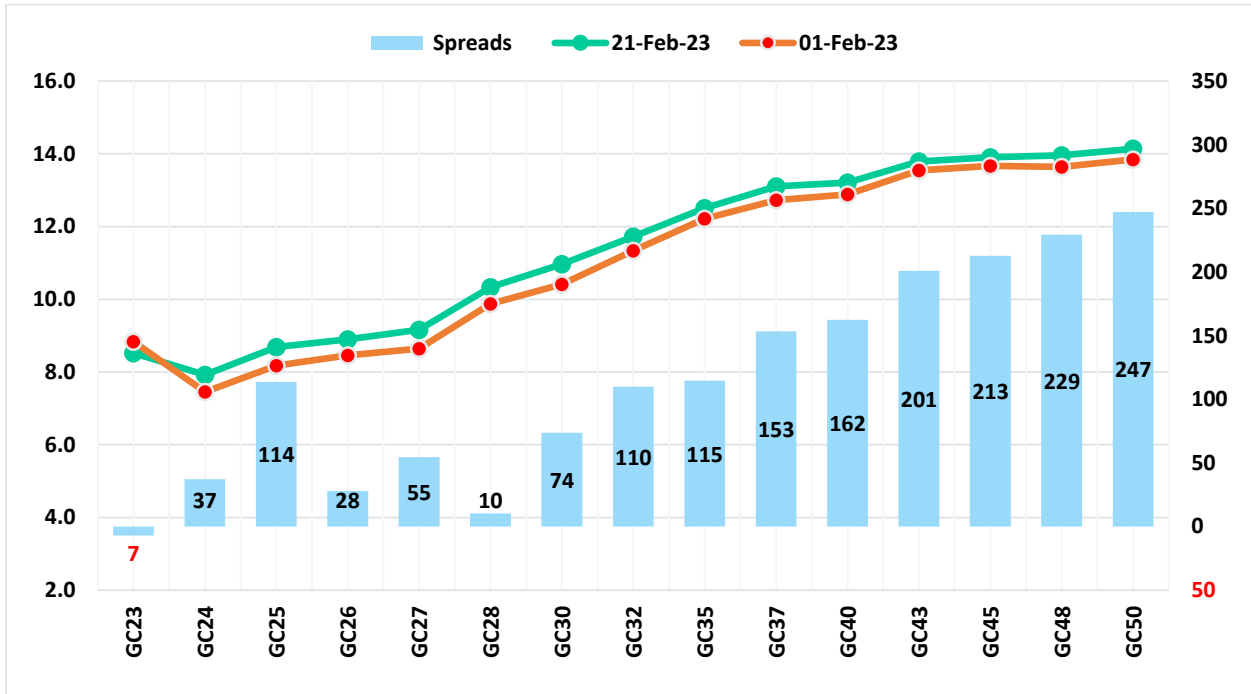
- Yesterday (21 February 2023), the South African rand weakened against the US dollar. In the US, both, manufacturing and services PMI rose more than expected in February. Moreover, existing home sales dropped for a twelfth consecutive month in January.
- According to the bond market data, there was a slight upsurge in the yield of benchmark government bonds as illustrated in Figure 1. In particular, the GC2035 bond yield increased from 12.42 percent to 12.51 percent. Conversely, there was no change in the yield of the GC2023 bond amid the Switch Auction that took place today (22 February 2023), as indicated in Table 1
- The Namibian Budget Speech, which is slated for Wednesday (22 February 2023) pertains to the fiscal year 2023/24, states that the government hopes to raise more money from issuing more debt instruments.

Table 1. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 21-Feb-23
			01-Feb-23	20-Feb-23	21-Feb-23		
GC23	8.85	15-Oct-23	8.84	8.52	8.52	-0.05	100.18
GC24	10.5	15-Oct-24	7.45	7.90	7.92	1.94	103.89
GC25	8.5	15-Apr-25	8.18	8.67	8.69	1.94	99.62
GC26	8.5	15-Apr-26	8.45	8.88	8.89	1.96	98.92
GC27	8	15-Jan-27	8.64	9.14	9.16	1.94	96.25
GC28	8.5	15-Oct-28	9.88	10.28	10.33	5.20	92.28
GC30	8	15-Jan-30	10.41	10.92	10.97	5.20	85.88
GC32	9	15-Apr-32	11.34	11.67	11.72	5.40	84.93
GC35	9.5	15-Jul-35	12.22	12.42	12.51	8.50	81.28
GC37	9.5	15-Jul-37	12.72	13.02	13.11	8.40	76.87
GC40	9.8	15-Oct-40	12.89	13.12	13.21	9.20	76.83
GC43	10	15-Jul-43	13.55	13.68	13.79	11.37	74.30
GC45	9.85	15-Jul-45	13.67	13.79	13.91	11.63	72.23
GC48	10	15-Oct-48	13.64	13.84	13.96	11.93	72.97
GC50	10.25	15-Jul-50	13.85	14.06	14.14	8.70	73.10

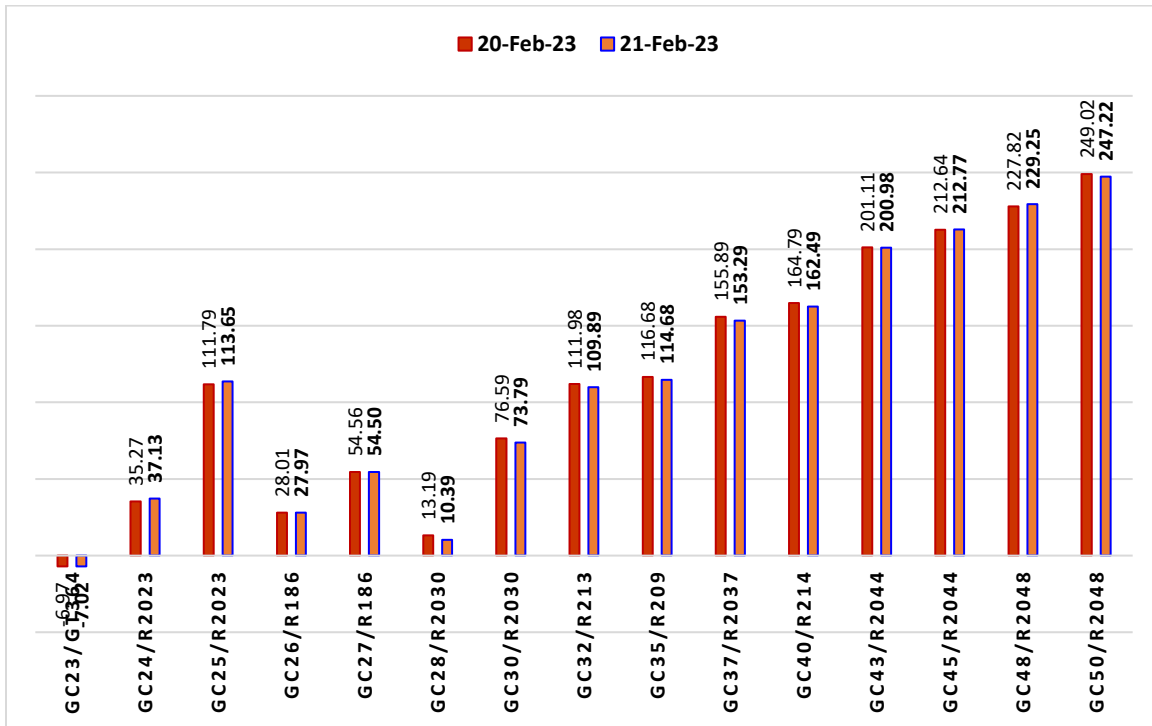
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-Feb-2023 vs. 17-Feb-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 20-Feb-2023 vs. 21-Feb-2023



Source: BoN & HEI Research

Important disclosure:

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