

## Namibian Inductive Daily Bond Yield Report (23 February 2023)

### HEI Fixed Income Market Commentary

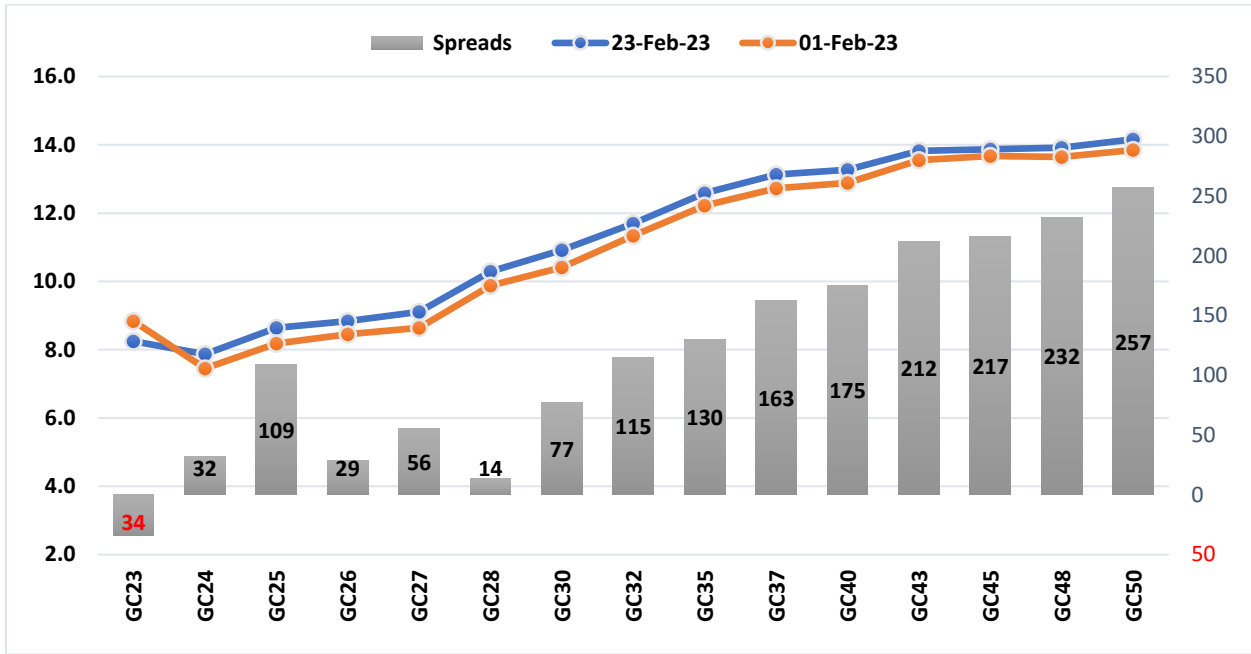
- The South African rand gained strength against the US dollar yesterday (23 February 2023), while producer price inflation in South Africa decelerated in January. Meanwhile, the US gross domestic product (GDP) growth for 4Q22 was lower than anticipated. Additionally, in the week ending on 17 February 2023, there was an unexpected decrease in the number of people filing for initial jobless claims.
- As indicated by data obtained from the bond market, Table 1 shows that there was a sharp decrease in the yields of government bonds
- According to Figure 1, bond spreads are return back to the 1<sup>st</sup> of February 2023 positions
- The Financial Action Task Force (FATF) decision to greylist South Africa today (24 February 2023) resulted in bond yields to decline. This is because being greylisted can have a significant effect on asset prices, capital inflows, and ultimately, investor confidence in the South African economy.

**Table 1. Namibia Government Bonds**

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 23-Feb-23
			01-Feb-23	22-Feb-23	23-Feb-23		
<b>GC23</b>	8.85	15-Oct-23	8.84	8.27	8.25	-2.03	100.34
<b>GC24</b>	10.5	15-Oct-24	7.45	7.88	7.87	-1.30	103.94
<b>GC25</b>	8.5	15-Apr-25	8.18	8.66	8.64	-1.10	99.68
<b>GC26</b>	8.5	15-Apr-26	8.45	8.85	8.84	-1.20	99.03
<b>GC27</b>	8	15-Jan-27	8.64	9.12	9.11	-1.20	96.38
<b>GC28</b>	8.5	15-Oct-28	9.88	10.33	10.29	-4.20	92.29
<b>GC30</b>	8	15-Jan-30	10.41	10.96	10.92	-4.20	85.90
<b>GC32</b>	9	15-Apr-32	11.34	11.73	11.69	-4.10	84.89
<b>GC35</b>	9.5	15-Jul-35	12.22	12.63	12.58	-5.10	80.60
<b>GC37</b>	9.5	15-Jul-37	12.72	13.19	13.13	-5.80	76.46
<b>GC40</b>	9.8	15-Oct-40	12.89	13.33	13.27	-6.20	76.21
<b>GC43</b>	10	15-Jul-43	13.55	13.91	13.82	-8.50	73.68
<b>GC45</b>	9.85	15-Jul-45	13.67	13.96	13.87	-8.62	71.98
<b>GC48</b>	10	15-Oct-48	13.64	14.01	13.92	-9.12	72.73
<b>GC50</b>	10.25	15-Jul-50	13.85	14.23	14.16	-6.37	72.67

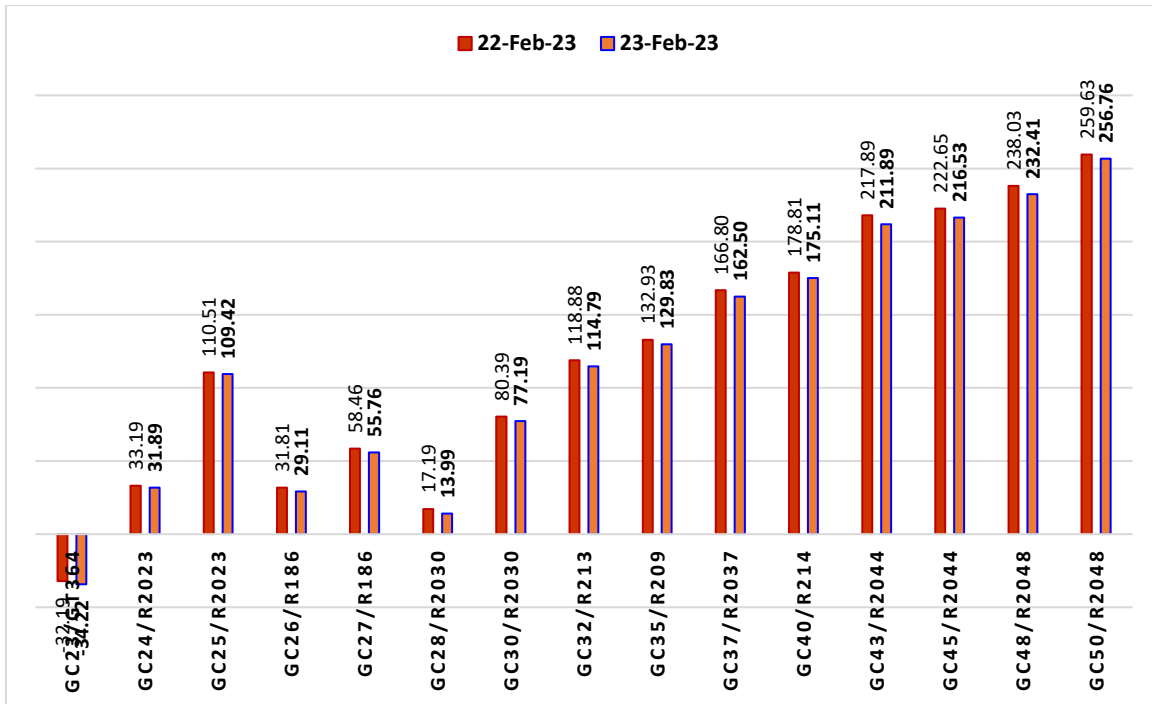
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-Feb-23 vs. 23-Feb-23



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 22 -Feb-2023 vs. 23-Feb-2023



Source: BoN & HEI Research

**Important disclosure:**

Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.