

## Daily Fixed Income Report (01 March 2023)

### HEI Fixed Income Market Commentary

- On March 1, 2023, the US dollar weakened against the South African rand. Manufacturing activity in South Africa worsened in February due to ongoing power shortages. In contrast, the ISM manufacturing PMI in the US increased less than anticipated during the same period. Additionally, the S&P Global manufacturing PMI indicated a contraction in February.
- According to Table 2, bond yields have significantly decreased as economic uncertainty prompts investors to seek the relative safety of bonds, driving up demand and prices.
- As we move into a new month, Table 1 indicates that there has been no change in money market rates.

Table 1. Fixed Term Deposits

Term	28-Feb-23	1-Mar-23
<b>1 Month</b>	7.38	7.38
<b>2 Months</b>	7.45	7.46
<b>3 Months</b>	7.61	7.61
<b>4 Months</b>	7.69	7.71
<b>5 Months</b>	7.79	7.79
<b>6 Months</b>	8.17	8.18
<b>7 Months</b>	8.27	8.29
<b>8 Months</b>	8.35	8.38
<b>9 Months</b>	8.49	8.49

Source: BoN & HEI Research

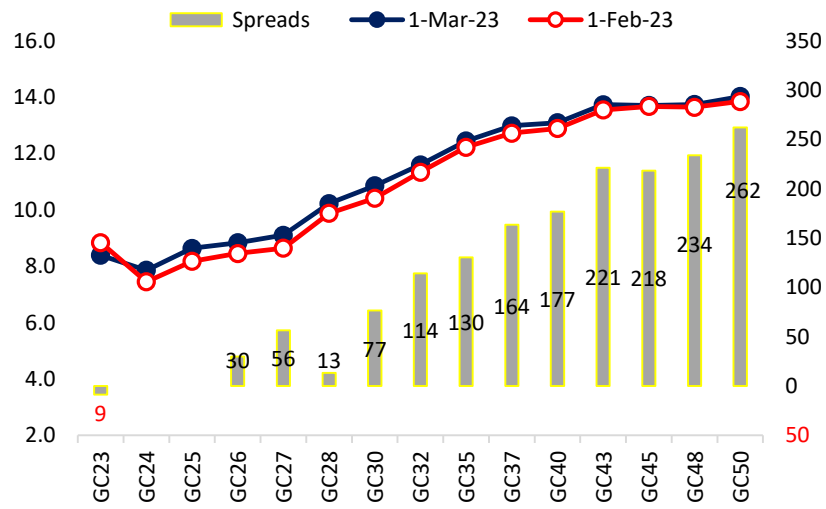
<b>10 Months</b>	8.56	8.56
<b>11 Months</b>	8.66	8.66
<b>12 Months</b>	8.78	8.78

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			1-Feb-23	28-Feb-23	1-Mar-23		1-Mar-23
<b>GC23</b>	8.85	15-Oct-23	8.84	8.39	8.39	0.00	100.25
<b>GC24</b>	10.5	15-Oct-24	7.45	7.87	7.86	-0.80	103.93
<b>GC25</b>	8.5	15-Apr-25	8.18	8.64	8.63	-0.80	99.73
<b>GC26</b>	8.5	15-Apr-26	8.45	8.84	8.83	-0.80	99.09
<b>GC27</b>	8	15-Jan-27	8.64	9.11	9.10	-0.80	96.46
<b>GC28</b>	8.5	15-Oct-28	9.88	10.23	10.22	-0.10	92.74
<b>GC30</b>	8	15-Jan-30	10.41	10.86	10.86	0.10	86.38
<b>GC32</b>	9	15-Apr-32	11.34	11.61	11.60	-1.00	85.58
<b>GC35</b>	9.5	15-Jul-35	12.22	12.46	12.44	-1.10	81.62
<b>GC37</b>	9.5	15-Jul-37	12.72	13.00	12.99	-1.40	77.53
<b>GC40</b>	9.8	15-Oct-40	12.89	13.11	13.09	-1.40	77.50
<b>GC43</b>	10	15-Jul-43	13.55	13.75	13.73	-1.50	74.60
<b>GC45</b>	9.85	15-Jul-45	13.67	13.72	13.70	-1.50	73.29
<b>GC48</b>	10	15-Oct-48	13.64	13.76	13.74	-1.88	74.15
<b>GC50</b>	10.25	15-Jul-50	13.85	14.02	14.02	-0.13	73.73

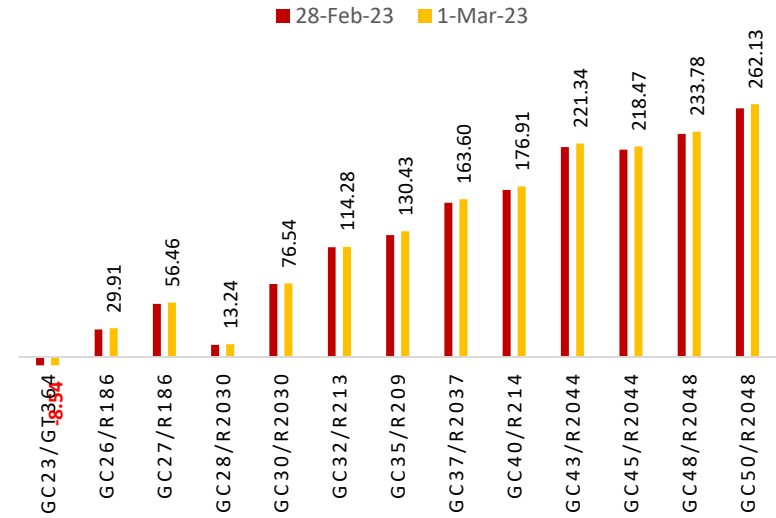
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 01-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 28 -February-2023 vs. 01-March-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.