



## Daily Fixed Income Report (02 March 2023)

### HEI Fixed Income Market Commentary

- On 02 March 2023, the South African rand weakened against the US dollar, while during the week ended 24 February 2023, there was an unexpected decrease in the number of initial jobless claims in the US. This reduction in jobless claims can have a positive impact on bond prices, particularly for bonds that are perceived to be of high quality such as government bonds, as investors tend to gain more confidence in the economy.
- Yesterday (02 March 2023), there was an increase in the yield of benchmark government bonds. The yield of the GC2026 bond went up to 8.86%, while the yield of the longer-dated GC2030 issue rose to 10.86% (refer to Table 2).  
Based on Table 1, fixed-term deposits experienced a slight decrease. This can be attributed to a drop in market demand for credit, as evidenced by the Private Sector Credit Extension (PSCE) report for January.

Table 1. Fixed Term Deposits

Term	1-Mar-23	2-Mar-23
1 Month	7.38	7.38
2 Months	7.46	7.46
3 Months	7.61	7.60
4 Months	7.71	7.70
5 Months	7.79	7.78
6 Months	8.18	8.17
7 Months	8.29	8.28
8 Months	8.38	8.36
9 Months	8.49	8.48
10 Months	8.56	8.55
11 Months	8.66	8.66
12 Months	8.78	8.78

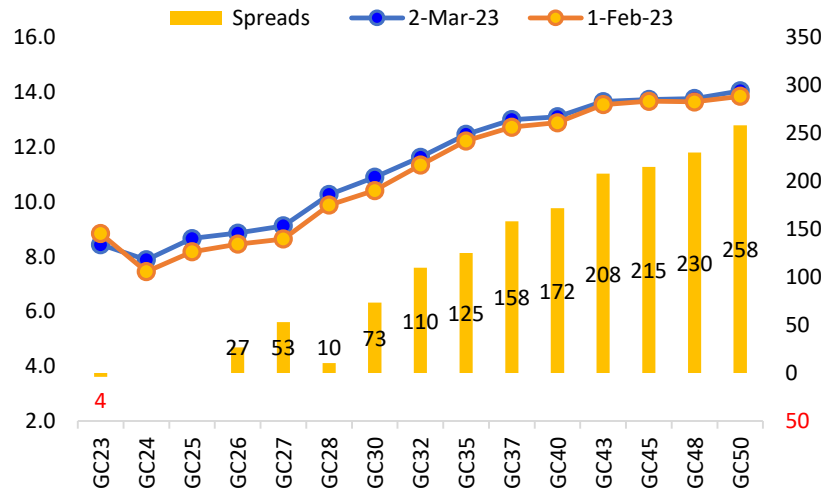
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices (2-Mar-23)
			1-Feb-23	1-Mar-23	2-Mar-23		
GC23	8.85	15-Oct-23	8.84	8.39	8.44	4.55	100.23
GC24	10.5	15-Oct-24	7.45	7.86	7.88	2.30	103.89
GC25	8.5	15-Apr-25	8.18	8.63	8.66	2.30	99.68
GC26	8.5	15-Apr-26	8.45	8.83	8.86	2.30	99.03
GC27	8	15-Jan-27	8.64	9.10	9.12	2.30	96.39
GC28	8.5	15-Oct-28	9.88	10.22	10.26	3.90	92.58
GC30	8	15-Jan-30	10.41	10.86	10.89	3.70	86.22
GC32	9	15-Apr-32	11.34	11.60	11.63	3.00	85.44
GC35	9.5	15-Jul-35	12.22	12.44	12.46	1.30	81.56
GC37	9.5	15-Jul-37	12.72	12.99	13.00	1.00	77.47
GC40	9.8	15-Oct-40	12.89	13.09	13.10	0.90	77.46
GC43	10	15-Jul-43	13.55	13.73	13.66	-7.50	75.00
GC45	9.85	15-Jul-45	13.67	13.70	13.73	2.50	73.16
GC48	10	15-Oct-48	13.64	13.74	13.76	2.62	74.01
GC50	10.25	15-Jul-50	13.85	14.02	14.05	2.63	73.59

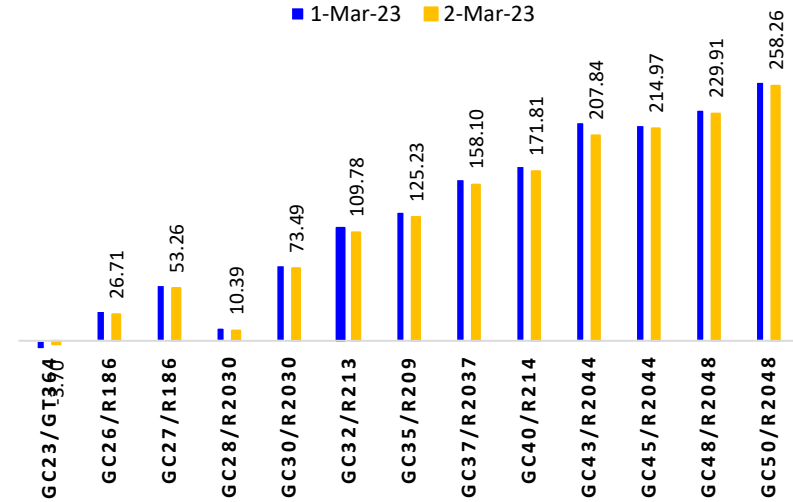
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 02-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 01- March-2023 vs. 02-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.