



Daily Fixed Income Report (03 March 2023)

HEI Fixed Income Market Commentary

- On Friday (03 March 2023), the USD/ZAR currency pair experienced a decrease as the South African rand appreciated against the US dollar. Concurrently, the February ISM services Purchasing Managers' Index (PMI) decreased in the United States, whereas the S&P Global services PMI exhibited improvement over the same period
- On March 2nd, 2023, benchmark government bond yields experienced a decline. The GC2026 bond yield fell to 8.76%, down from 8.86%, while the yield of the longer-dated GC2030 issue slightly decreased to 10.88%, down from 10.89% (as shown in Table 2). This trend can be attributed to the upcoming political and economic events in South Africa and Namibia that are expected to influence bond yields over the next week.

Table 1 indicates that fixed-term deposits displayed no variance in fixed money market rates

Table 1. Fixed Term Deposits

Term	2-Mar-23	3-Mar-23
1 Month	7.38	7.38
2 Months	7.46	7.46
3 Months	7.60	7.60
4 Months	7.70	7.70
5 Months	7.78	7.78
6 Months	8.17	8.17
7 Months	8.28	8.28
8 Months	8.36	8.36
9 Months	8.48	8.48
10 Months	8.55	8.55
11 Months	8.66	8.66
12 Months	8.78	8.78

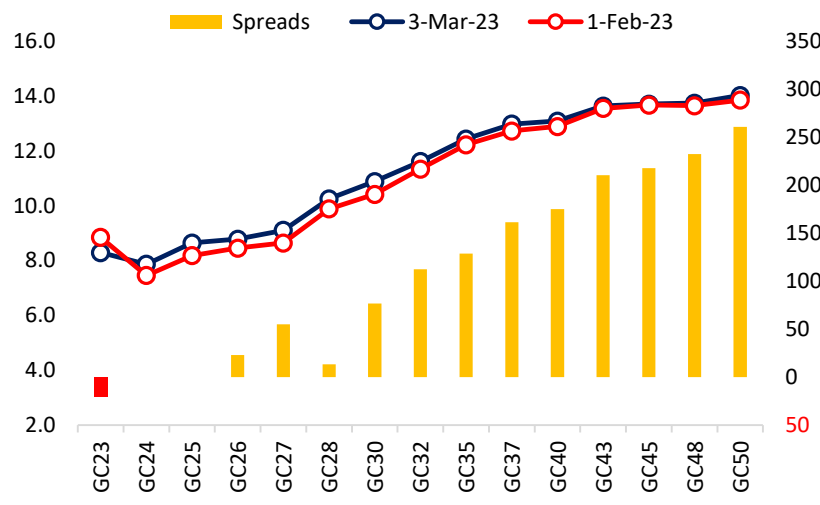
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 3-Mar-23
			1-Feb-23	2-Mar-23	3-Mar-23		
GC23	8.85	15-Oct-23	8.84	8.44	8.29	-15.13	100.32
GC24	10.5	15-Oct-24	7.45	7.88	7.86	-2.10	103.92
GC25	8.5	15-Apr-25	8.18	8.66	8.64	-2.10	99.72
GC26	8.5	15-Apr-26	8.45	8.86	8.78	-7.61	99.23
GC27	8	15-Jan-27	8.64	9.12	9.10	-2.10	96.46
GC28	8.5	15-Oct-28	9.88	10.26	10.25	-1.50	92.65
GC30	8	15-Jan-30	10.41	10.89	10.88	-1.50	86.29
GC32	9	15-Apr-32	11.34	11.63	11.61	-1.90	85.53
GC35	9.5	15-Jul-35	12.22	12.46	12.43	-2.25	81.68
GC37	9.5	15-Jul-37	12.72	13.00	12.97	-2.32	77.60
GC40	9.8	15-Oct-40	12.89	13.10	13.08	-1.94	77.56
GC43	10	15-Jul-43	13.55	13.66	13.63	-2.50	75.13
GC45	9.85	15-Jul-45	13.67	13.73	13.70	-2.50	73.29
GC48	10	15-Oct-48	13.64	13.76	13.74	-2.75	74.16
GC50	10.25	15-Jul-50	13.85	14.05	14.02	-2.75	73.74

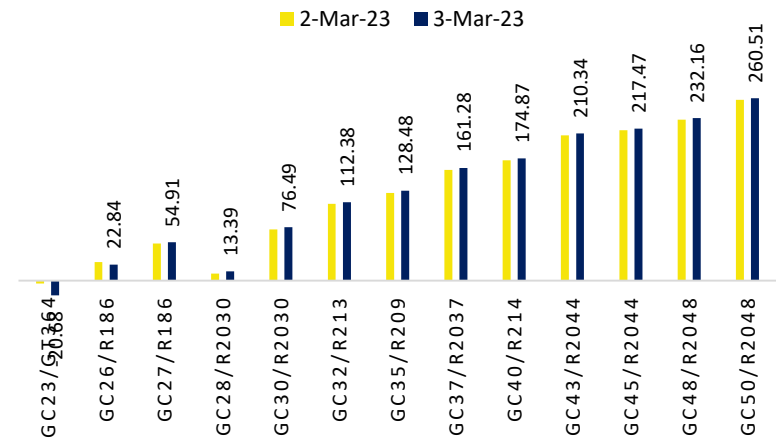
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 03-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 02-March-2023 vs. 03-March-2023



Source: BoN & HEI Research

Important disclosure:

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