

## Daily Fixed Income Report (06 March 2023)

### HEI Fixed Income Market Commentary

- On March 6th, 2023, the South African rand experienced a depreciation against the US dollar. The United States witnessed a decline in factory orders in January, attributable to a decrease in demand for civilian aircraft.
- Benchmark government bond yields underwent a slight decline on March 3rd, 2023. The GC2026 bond yield observed a decrease to 8.77% from 8.78%, whereas the longer-dated GC2030 issue yield remained constant at 10.88%, as presented in Table 2. The bond yields demonstrated a minor movement owing to the US Federal Reserve's speech scheduled to be delivered at 17:00 today and South Africa's GDP report for the fourth quarter of 2022.
- As per Table 1, fixed-term deposit rates experienced a significant surge, possibly due to banks increasing their fixed-term deposit rates to maintain their competitiveness in the market.

Table 1. Fixed Term Deposits

Term	3-Mar-23	6-Mar-23
1 Month	7.38	7.44
2 Months	7.46	7.51
3 Months	7.60	7.63
4 Months	7.70	7.74
5 Months	7.78	7.84
6 Months	8.17	8.19
7 Months	8.28	8.29
8 Months	8.36	8.37
9 Months	8.48	8.49
10 Months	8.55	8.55
11 Months	8.66	8.66
12 Months	8.78	8.78

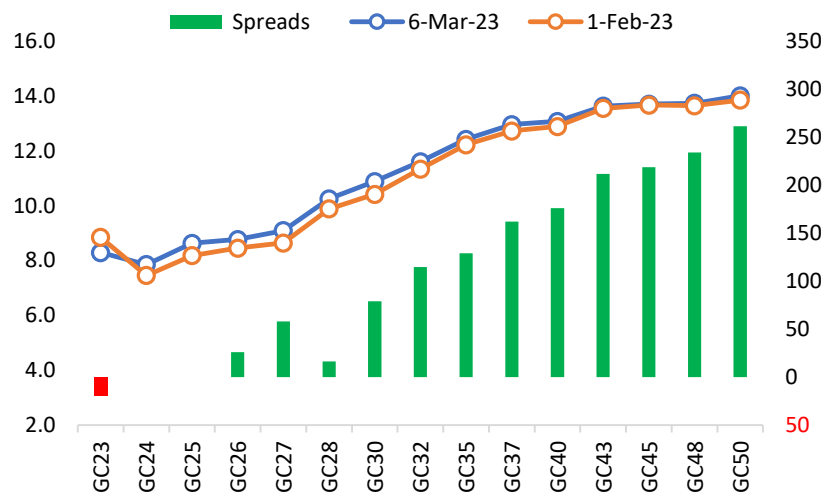
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 6-Mar-23
			1-Feb-23	3-Mar-23	6-Mar-23		
GC23	8.85	15-Oct-23	8.84	8.29	8.29	0.30	100.31
GC24	10.5	15-Oct-24	7.45	7.86	7.85	-1.10	103.92
GC25	8.5	15-Apr-25	8.18	8.64	8.63	-1.00	99.74
GC26	8.5	15-Apr-26	8.45	8.78	8.77	-1.20	99.27
GC27	8	15-Jan-27	8.64	9.10	9.09	-1.10	96.50
GC28	8.5	15-Oct-28	9.88	10.25	10.25	0.20	92.65
GC30	8	15-Jan-30	10.41	10.88	10.88	-0.20	86.31
GC32	9	15-Apr-32	11.34	11.61	11.61	-0.30	85.56
GC35	9.5	15-Jul-35	12.22	12.43	12.42	-1.50	81.76
GC37	9.5	15-Jul-37	12.72	12.97	12.96	-1.50	77.68
GC40	9.8	15-Oct-40	12.89	13.08	13.07	-1.00	77.62
GC43	10	15-Jul-43	13.55	13.63	13.63	-0.25	75.15
GC45	9.85	15-Jul-45	13.67	13.70	13.70	-0.25	73.31
GC48	10	15-Oct-48	13.64	13.74	13.73	-0.25	74.17
GC50	10.25	15-Jul-50	13.85	14.02	14.01	-1.13	73.79

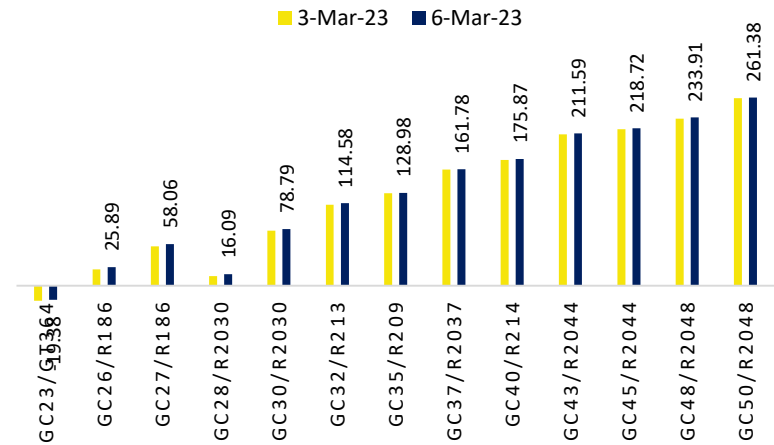
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 06-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 03- March-2023 vs. 06-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.