



Daily Fixed Income Report (07 March 2023)

12 Months	8.78	8.75
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HEI Fixed Income Market Commentary

- Yesterday (07 March 2023), the South African rand weakened against the US dollar. In South Africa, gross domestic product (GDP) contracted more than expected in 4Q22, amid rolling power blackouts.
- The government bond market exhibited a mixed reaction, with the yield on the GC2026 bond experiencing a slight decline from 8.77% to 8.76%, while the yield on the longer-dated GC2040 bond increased from 13.07% to 13.09%. This may be attributed to various factors such as changes in inflation expectations or supply and demand dynamics for the particular bonds. The movement in bond yields reflects the ongoing volatility and uncertainty in financial markets as presented in Table 2.
- According to Table 1, fixed-term deposit rates for maturities longer than 6 months witnessed a decline. Some potential reasons for a decline in long-term fixed-term deposit rates may include a decrease in demand for such deposits, a surplus of available funds in the market, or a change in interest rate policies by central banks

Table 1. Fixed Term Deposits

Term	6-Mar-23	7-Mar-23
1 Month	7.44	7.44
2 Months	7.51	7.51
3 Months	7.63	7.63
4 Months	7.74	7.74
5 Months	7.84	7.84
6 Months	8.19	8.19
7 Months	8.29	8.28
8 Months	8.37	8.33
9 Months	8.49	8.44
10 Months	8.55	8.52
11 Months	8.66	8.65

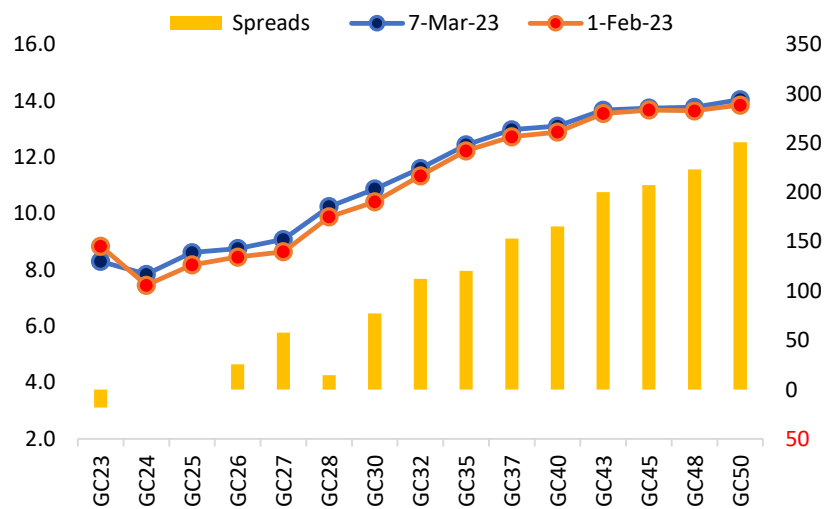
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 7-Mar-23
			1-Feb-23	6-Mar-23	7-Mar-23		
GC23	8.85	15-Oct-23	8.84	8.29	8.30	0.92	100.30
GC24	10.5	15-Oct-24	7.45	7.85	7.84	-1.20	103.93
GC25	8.5	15-Apr-25	8.18	8.63	8.61	-1.20	99.77
GC26	8.5	15-Apr-26	8.45	8.77	8.76	-1.20	99.30
GC27	8	15-Jan-27	8.64	9.09	9.08	-1.20	96.53
GC28	8.5	15-Oct-28	9.88	10.25	10.24	-1.10	92.70
GC30	8	15-Jan-30	10.41	10.88	10.87	-1.10	86.36
GC32	9	15-Apr-32	11.34	11.61	11.60	-0.70	85.60
GC35	9.5	15-Jul-35	12.22	12.42	12.43	1.40	81.69
GC37	9.5	15-Jul-37	12.72	12.96	12.97	1.40	77.61
GC40	9.8	15-Oct-40	12.89	13.07	13.09	2.10	77.51
GC43	10	15-Jul-43	13.55	13.63	13.67	3.50	74.96
GC45	9.85	15-Jul-45	13.67	13.70	13.74	3.50	73.12
GC48	10	15-Oct-48	13.64	13.73	13.77	3.25	74.00
GC50	10.25	15-Jul-50	13.85	14.01	14.04	3.25	73.62

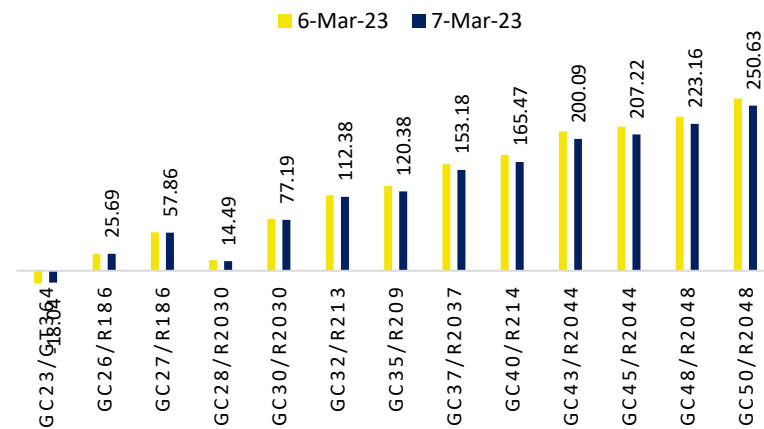
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 07-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 06- March-2023 vs. 07-March-2023



Source: BoN & HEI Research

Important disclosure:

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