

Daily Fixed Income Report (13 March 2023)

HEI Fixed Income Market Commentary

- Yesterday, the South African rand strengthened against the US dollar. In South Africa, the agribusiness confidence index fell to its lowest level since early Covid-19 pandemic in 1Q23.
- According to Table 2, all bonds with a maturity exceeding one year witnessed a decline in yields in the sovereign bond market. The only exception was the GC2023 bond, which saw its yield increase from 8.32% to 8.33%.
- The decrease in bond yields is a global phenomenon that can be attributed to the monetary tightening policies of both the U.S Federal Reserve Bank and the European Central Bank. Furthermore, the recent collapse of Silicon-Valley Bank (SVB) and two other U.S-based lenders has raised the likelihood that the Fed's rate hikes may soon come to an end.
- The information presented in Table 1 shows that there were no changes in fixed-term deposits.

Table 1. Fixed Term Deposits

Term	10-Mar-23	13-Mar-23
1 Month	7.44	7.44
2 Months	7.51	7.51
3 Months	7.61	7.62
4 Months	7.73	7.70
5 Months	7.83	7.81
6 Months	8.20	8.24
7 Months	8.28	8.28
8 Months	8.33	8.33
9 Months	8.43	8.43
10 Months	8.54	8.54
11 Months	8.64	8.64
12 Months	8.74	8.73

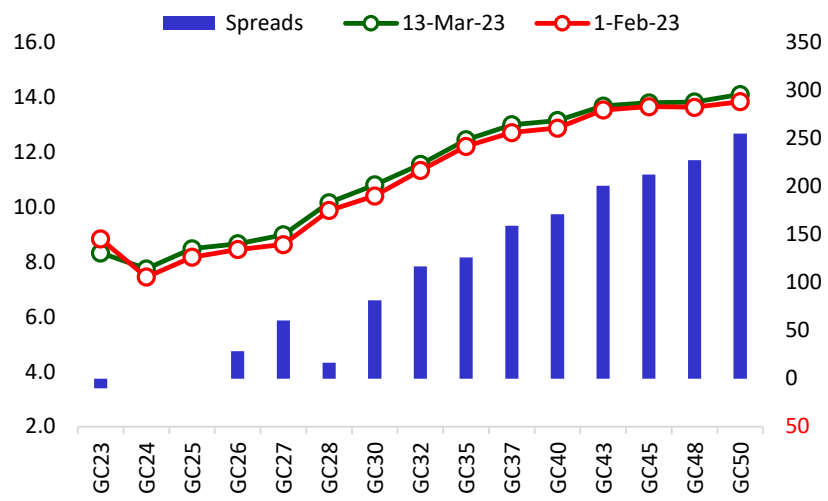
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Feb-23	10-Mar-23	13-Mar-23	(bps)	13-Mar-23
GC23	8.85	15-Oct-23	8.84	8.32	8.33	0.86	100.28
GC24	10.5	15-Oct-24	7.45	7.84	7.75	-8.60	104.02
GC25	8.5	15-Apr-25	8.18	8.57	8.48	-8.60	100.02
GC26	8.5	15-Apr-26	8.45	8.76	8.67	-8.60	99.53
GC27	8	15-Jan-27	8.64	9.08	8.99	-8.60	96.82
GC28	8.5	15-Oct-28	9.88	10.25	10.17	-8.30	93.01
GC30	8	15-Jan-30	10.41	10.90	10.81	-8.30	86.61
GC32	9	15-Apr-32	11.34	11.63	11.56	-7.40	85.81
GC35	9.5	15-Jul-35	12.22	12.50	12.46	-4.10	81.54
GC37	9.5	15-Jul-37	12.72	13.05	13.01	-4.20	77.42
GC40	9.8	15-Oct-40	12.89	13.19	13.16	-3.60	77.17
GC43	10	15-Jul-43	13.55	13.73	13.69	-4.13	74.82
GC45	9.85	15-Jul-45	13.67	13.85	13.81	-4.13	72.74
GC48	10	15-Oct-48	13.64	13.88	13.84	-4.38	73.63
GC50	10.25	15-Jul-50	13.85	14.16	14.11	-4.37	73.26

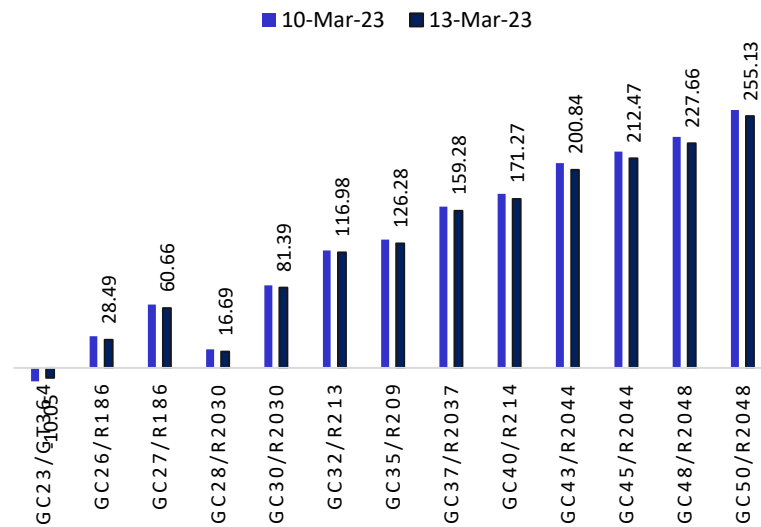
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 01-February-2023 vs. 09-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 10- March-2023 vs. 13-March-2023



Source: BoN & HEI Research

Important disclosure:

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