

Daily Fixed Income Report (17 March 2023)

HEI Fixed Income Market Commentary

- The US dollar gained strength against the South African rand on Friday, while in the United States, the Michigan consumer sentiment index decreased in March. Additionally, there was no change in industrial production during February
- Table 2 demonstrates that most sovereign bond yields witnessed a drop in longer-term bonds, and an increase in shorter-term bonds. The GC2028 bond yield rose slightly from 10.18% to 10.20%. On the other hand, the GC2040 bond, which has a longer maturity date, experienced a decrease in its yield from 13.34% to 13.30%.
- According to Table 2, indicates a mixed sentiment in sovereign bond yields, which could be due to various factors. It may be because of the market's outlook on future interest rates and economic conditions. Alternatively, investors may be choosing longer-term bonds as they anticipate weaker economic growth or inflation, which typically leads to a decline in long-term bond yields
- Table 1 displays varied alterations in fixed-term deposits

Table 1. Fixed Term Deposits

Term	16-Mar-23	17-Mar-23
1 Month	7.44	7.44
2 Months	7.51	7.52
3 Months	7.62	7.62
4 Months	7.74	7.75
5 Months	7.85	7.86
6 Months	8.25	8.24
7 Months	8.31	8.31
8 Months	8.36	8.35
9 Months	8.44	8.45
10 Months	8.55	8.53
11 Months	8.63	8.58
12 Months	8.69	8.65

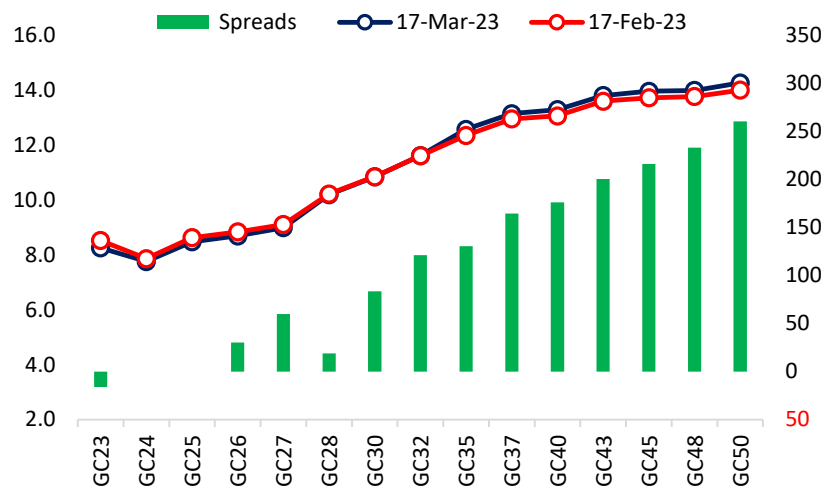
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			17-Feb-23	16-Mar-23	17-Mar-23		17-Mar-23
GC23	8.85	15-Oct-23	8.53	8.39	8.26	-13.26	100.32
GC24	10.5	15-Oct-24	7.87	7.75	7.77	1.36	103.98
GC25	8.5	15-Apr-25	8.64	8.47	8.48	0.96	100.02
GC26	8.5	15-Apr-26	8.85	8.69	8.70	1.26	99.46
GC27	8	15-Jan-27	9.11	8.98	8.99	1.34	96.82
GC28	8.5	15-Oct-28	10.23	10.18	10.20	1.90	92.87
GC30	8	15-Jan-30	10.86	10.83	10.85	1.70	86.46
GC32	9	15-Apr-32	11.62	11.62	11.63	0.70	85.48
GC35	9.5	15-Jul-35	12.36	12.59	12.59	-0.40	80.89
GC37	9.5	15-Jul-37	12.97	13.16	13.15	-0.30	76.66
GC40	9.8	15-Oct-40	13.08	13.34	13.30	-3.50	76.38
GC43	10	15-Jul-43	13.61	13.85	13.82	-3.69	74.16
GC45	9.85	15-Jul-45	13.73	13.99	13.97	-1.94	71.90
GC48	10	15-Oct-48	13.78	14.02	14.00	-2.25	72.77
GC50	10.25	15-Jul-50	14.02	14.30	14.28	-2.25	72.41

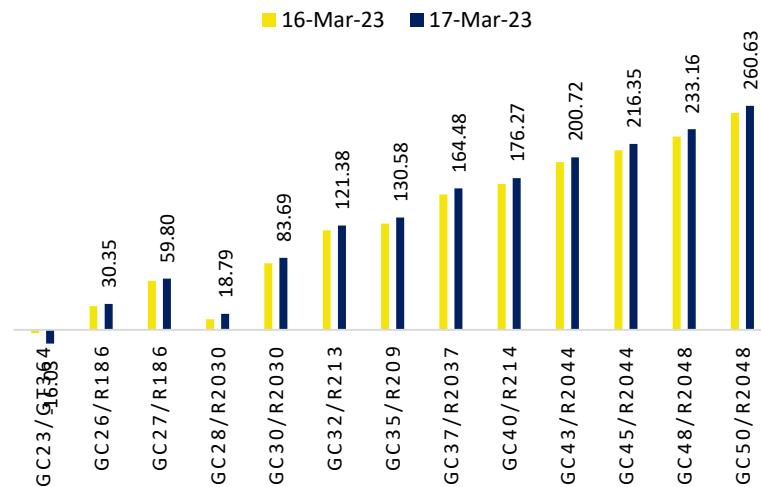
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 17-February-2023 vs. 17-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 16- March-2023 vs. 17-March-2023



Source: BoN & HEI Research

Important disclosure:

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