

## Daily Fixed Income Report (23 March 2023)

### HEI Fixed Income Market Commentary

- The South African rand gained strength against the US dollar, while in the US, there were mixed economic indicators. The Chicago Fed national activity index decreased in February, but the number of people filing for initial jobless claims unexpectedly declined in the week ending 17 March 2023. Additionally, new home sales increased in February, and the Kansas Fed manufacturing index rose more than anticipated in March.
- In accordance with the data presented in Table 2, it is possible to conduct an analysis of the yield recovery for most sovereign bonds. It is worth noting that the GC2028 bond yield underwent a significant contraction, falling from 10.16% to 10.12%. In contrast, the GC2043 bond, which has a longer tenor, showed a more pronounced increase in yield, rising from 13.86% to 13.72%.
- According to the data presented in Table 2 suggests that the decrease in numerous sovereign bond yields may be linked to investor portfolio rebalancing in response to the U.S Federal Reserve's decision
- Table 1 displays a three-day decline in fixed-term deposits

Table 1. Fixed Term Deposits

Term	22-Mar-23	23-Mar-23
1 Month	7.39	7.39
2 Months	7.49	7.49
3 Months	7.62	7.62
4 Months	7.73	7.73
5 Months	7.82	7.82
6 Months	8.21	8.19
7 Months	8.27	8.26
8 Months	8.31	8.30
9 Months	8.41	8.36

Source: BoN & HEI Research

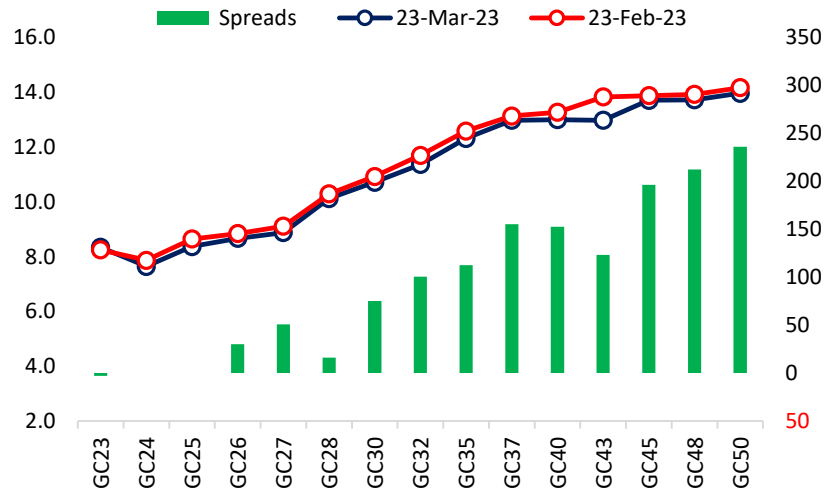
10 Months	8.50	8.49
11 Months	8.54	8.53
12 Months	8.62	8.51

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			23-Feb-23	22-Mar-23	23-Mar-23		23-Mar-23
GC23	8.85	15-Oct-23	8.25	8.28	8.34	5.72	100.30
GC24	10.5	15-Oct-24	7.87	7.61	7.65	3.86	104.19
GC25	8.5	15-Apr-25	8.64	8.34	8.37	2.66	100.28
GC26	8.5	15-Apr-26	8.84	8.59	8.67	7.77	99.76
GC27	8	15-Jan-27	9.11	8.89	8.87	-1.84	97.14
GC28	8.5	15-Oct-28	10.29	10.16	10.12	-3.84	93.06
GC30	8	15-Jan-30	10.92	10.82	10.71	-10.68	86.62
GC32	9	15-Apr-32	11.69	11.54	11.36	-18.33	85.92
GC35	9.5	15-Jul-35	12.58	12.49	12.31	-17.63	81.42
GC37	9.5	15-Jul-37	13.13	13.05	12.97	-7.98	77.19
GC40	9.8	15-Oct-40	13.27	13.15	13.00	-15.04	77.24
GC43	10	15-Jul-43	13.82	12.90	12.97	6.93	79.25
GC45	9.85	15-Jul-45	13.87	13.84	13.70	-14.07	72.58
GC48	10	15-Oct-48	13.92	13.86	13.72	-14.06	73.50
GC50	10.25	15-Jul-50	14.16	14.09	13.96	-12.92	73.37

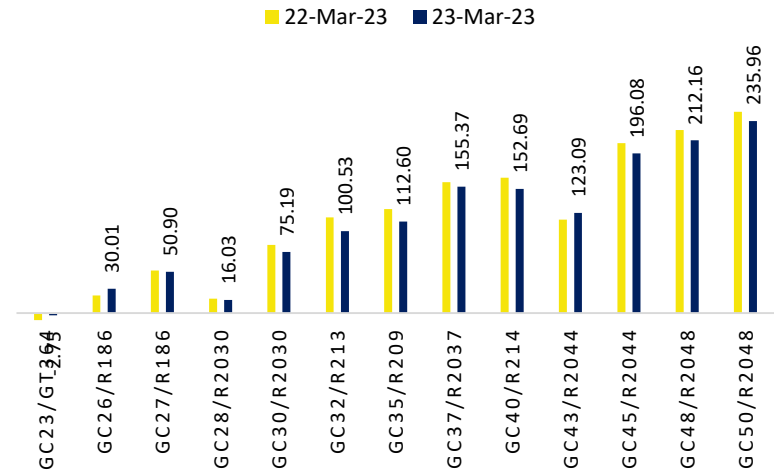
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 23-February-2023 vs. 23-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 22- March-2023 vs. 23-March-2023



Source: BoN & HEI Research

**Important disclosure:**

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