

Daily Fixed Income Report (24 March 2023)

11 Months	8.53	8.53
12 Months	8.51	8.51

HEI Fixed Income Market Commentary

- On Friday, the South African rand weakened against the US dollar. In the US, both, manufacturing and service activity improved in March.
- Table 2 presents data that allows for an assessment of the yield recovery for sovereign bonds with longer maturity dates, while shorter-term bonds exhibit a decline in yields. It is noteworthy that the GC2026 bond yield experienced a minor contraction, dropping from 8.67% to 8.66%. Conversely, the GC2048 bond, which has a lengthier maturity date, exhibited a more significant increase in yield, rising from 13.72% to 13.80%.
- According to the data presented in Table 2 implies that the decline in short-term sovereign bond yields could be due to investors rebalancing their portfolios, while longer-term bonds appear to reflect bondholders' expectations of future economic growth and inflation rates.
- Table 1 displays no change in fixed-term deposits

Table 1. Fixed Term Deposits

Term	23-Mar-23	24-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	8.19	8.19
7 Months	8.26	8.26
8 Months	8.30	8.30
9 Months	8.36	8.36
10 Months	8.49	8.49

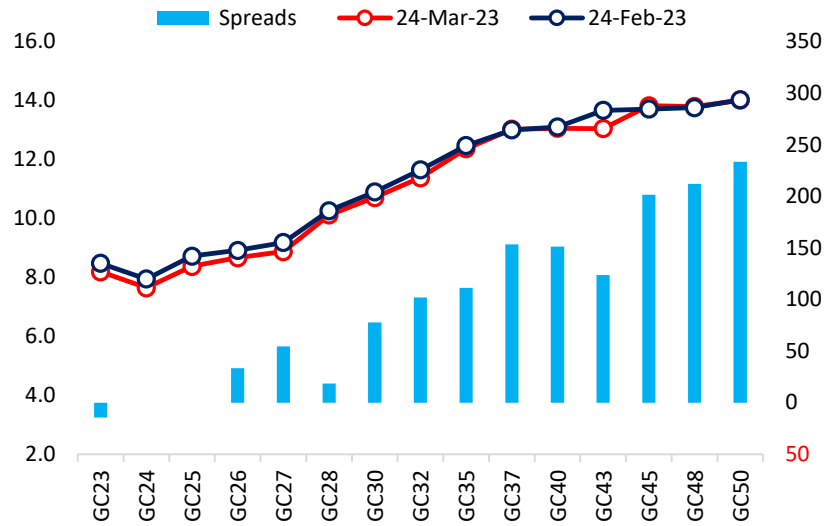
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			24-Feb-23	23-Mar-23	24-Mar-23		24-Mar-23
GC23	8.85	15-Oct-23	8.48	8.34	8.19	-15.10	100.35
GC24	10.5	15-Oct-24	7.95	7.65	7.65	-0.04	104.12
GC25	8.5	15-Apr-25	8.72	8.37	8.37	0.14	100.23
GC26	8.5	15-Apr-26	8.92	8.67	8.66	-0.04	99.56
GC27	8	15-Jan-27	9.18	8.87	8.87	0.06	97.20
GC28	8.5	15-Oct-28	10.26	10.12	10.12	-0.50	93.24
GC30	8	15-Jan-30	10.90	10.71	10.71	-0.60	87.12
GC32	9	15-Apr-32	11.65	11.36	11.38	1.90	86.75
GC35	9.5	15-Jul-35	12.47	12.31	12.36	5.20	82.10
GC37	9.5	15-Jul-37	13.00	12.97	13.02	5.11	77.35
GC40	9.8	15-Oct-40	13.11	13.00	13.06	6.50	77.72
GC43	10	15-Jul-43	13.67	12.97	13.05	7.63	78.40
GC45	9.85	15-Jul-45	13.71	13.70	13.83	12.53	72.66
GC48	10	15-Oct-48	13.76	13.72	13.80	7.83	73.83
GC50	10.25	15-Jul-50	14.02	13.96	14.02	5.62	73.76

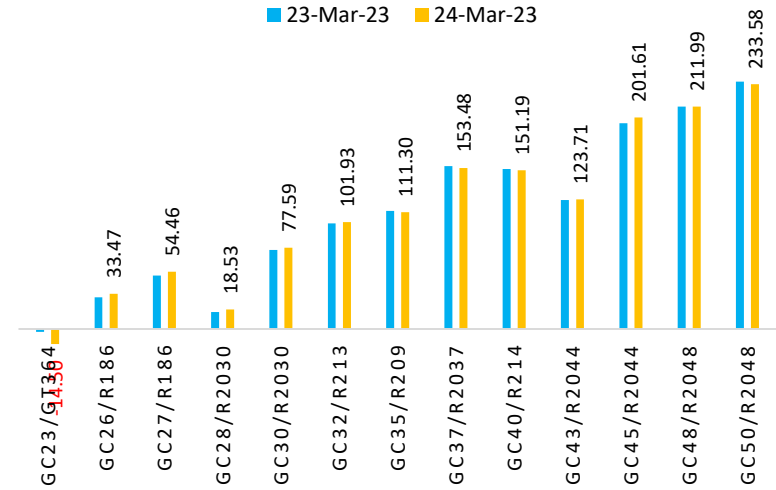
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 24-February-2023 vs. 24-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 23- March-2023 vs. 24-March-2023



Source: BoN & HEI Research

Important disclosure:

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