

## Daily Fixed Income Report (28 March 2023)

### HEI Fixed Income Market Commentary

- The South African rand strengthened against the US dollar on the previous day, as non-farm payrolls showed growth in Q4 of 2022. Additionally, the US goods trade deficit expanded in February, while in contrast, consumer confidence in the country improved during March
- Table 2 indicates a substantial recovery in sovereign bond yields, particularly evident in the significant rise of the GC2048 bond yield from 13.80% to 13.87%. The GC2026 bond yield also experienced an increase from 8.66% to 8.68%. It is worth noting that the GC2048 bond, which has a longer maturity period, demonstrated a more considerable boost in yield
- Table 2 data suggests that the rise in sovereign bond yields can be attributed to investors anticipating a potential 0.25 basis point interest rate hike by the South African Reserve Bank's Monetary Policy Committee (MPC) meeting tomorrow
- Table 1 displays a slight change in fixed-term deposits

**Table 1. Fixed Term Deposits**

<b>Term</b>	<b>27-Mar-23</b>	<b>28-Mar-23</b>
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
11 Months	8.53	8.53
12 Months	8.51	8.61

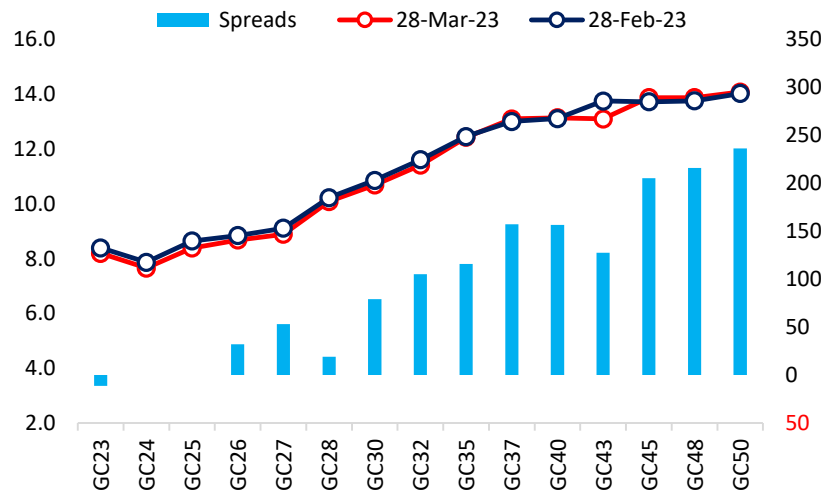
Source: BoN & HEI Research

**Table 2. Namibia Government Bonds**

Bonds	Coupon	Maturity	YTM	YTM (%)	YTM	DTDA (bps)	Prices
			(%)	(%)	(%)		28-Mar-23
			28-Feb-23	27-Mar-23	28-Mar-23		
GC23	8.85	15-Oct-23	8.39	8.19	8.19	0.12	100.34
GC24	10.5	15-Oct-24	7.87	7.65	7.66	1.30	104.07
GC25	8.5	15-Apr-25	8.64	8.37	8.38	1.10	100.21
GC26	8.5	15-Apr-26	8.84	8.66	8.68	1.20	99.53
GC27	8	15-Jan-27	9.11	8.87	8.89	1.30	97.17
GC28	8.5	15-Oct-28	10.23	10.12	10.09	-2.90	93.37
GC30	8	15-Jan-30	10.86	10.71	10.69	-1.90	87.22
GC32	9	15-Apr-32	11.61	11.38	11.41	2.80	86.62
GC35	9.5	15-Jul-35	12.46	12.36	12.42	6.10	81.77
GC37	9.5	15-Jul-37	13.00	13.02	13.09	7.00	76.99
GC40	9.8	15-Oct-40	13.11	13.06	13.13	7.20	77.32
GC43	10	15-Jul-43	13.75	13.05	13.09	4.75	78.13
GC45	9.85	15-Jul-45	13.72	13.83	13.87	4.75	72.41
GC48	10	15-Oct-48	13.76	13.80	13.87	7.43	73.44
GC50	10.25	15-Jul-50	14.02	14.02	14.08	6.18	73.43

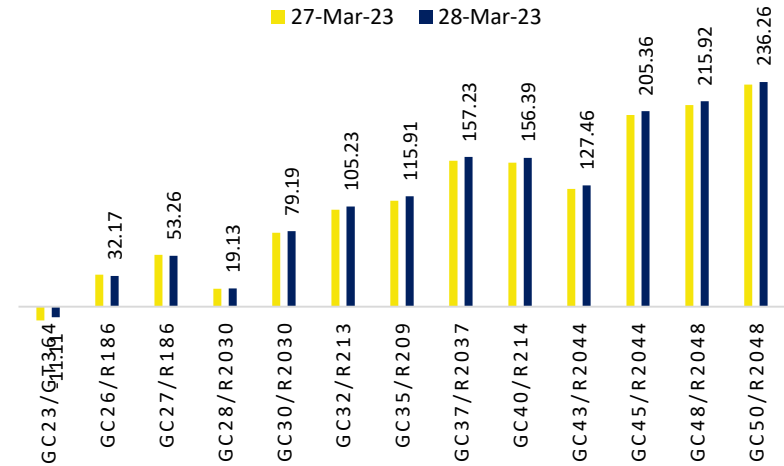
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 28-February-2023 vs. 28-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 27- March-2023 vs. 28-March-2023



Source: BoN & HEI Research

**Important disclosure:**

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