

## Daily Fixed Income Report (29 March 2023)

12 Months |

8.61

8.61

### HEI Fixed Income Market Commentary

- Yesterday, the South African rand strengthened against the US dollar. In the US, the MBA mortgage applications rose in the week ended 24 March 2023. Moreover, pending home sales unexpectedly advanced for the third straight month in February.
- The data presented in Table 2 indicates a decrease in sovereign bond yields, with a particular decline observed in the short-dated and medium-dated tenors. Notably, the GC2028 bond yield witnessed a significant decline from 10.09% to 10.02%, while the longer-dated GC2048 bond yield recorded an increase from 13.87% to 13.94%.
- Table 2 suggests that the recent decline in sovereign bond yields may be linked to the heightened global concerns about systemic financial risk in the United States and Europe. This trend could be an indication of investors seeking out safer and more stable investments, such as government bonds, amid the uncertainty in the financial markets.
- Table 1 displays a slight change in fixed-term deposits

Table 1. Fixed Term Deposits

Term	28-Mar-23	29-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	8.38
10 Months	8.49	8.49
11 Months	8.53	8.53

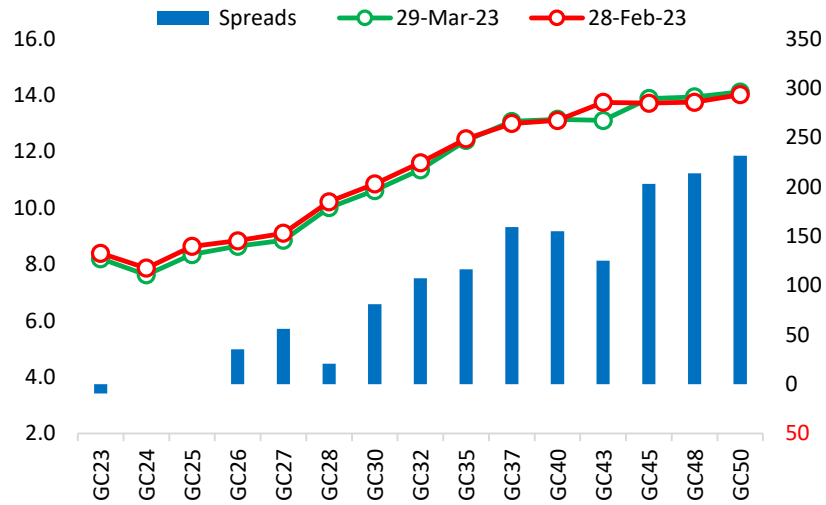
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			28-Feb-23	28-Mar-23	29-Mar-23		29-Mar-23
GC23	8.85	15-Oct-23	8.39	8.19	8.21	1.46	100.33
GC24	10.5	15-Oct-24	7.87	7.66	7.63	-3.10	104.11
GC25	8.5	15-Apr-25	8.64	8.38	8.35	-3.20	100.27
GC26	8.5	15-Apr-26	8.84	8.68	8.65	-2.90	99.60
GC27	8	15-Jan-27	9.11	8.89	8.86	-3.20	97.27
GC28	8.5	15-Oct-28	10.23	10.09	10.02	-7.00	93.65
GC30	8	15-Jan-30	10.86	10.69	10.62	-6.50	87.50
GC32	9	15-Apr-32	11.61	11.41	11.36	-4.80	86.86
GC35	9.5	15-Jul-35	12.46	12.42	12.40	-2.60	81.91
GC37	9.5	15-Jul-37	13.00	13.09	13.07	-2.15	77.10
GC40	9.8	15-Oct-40	13.11	13.13	13.15	1.30	77.25
GC43	10	15-Jul-43	13.75	13.09	13.11	1.13	78.06
GC45	9.85	15-Jul-45	13.72	13.87	13.88	1.12	72.36
GC48	10	15-Oct-48	13.76	13.87	13.94	6.70	73.09
GC50	10.25	15-Jul-50	14.02	14.08	14.12	4.20	73.21

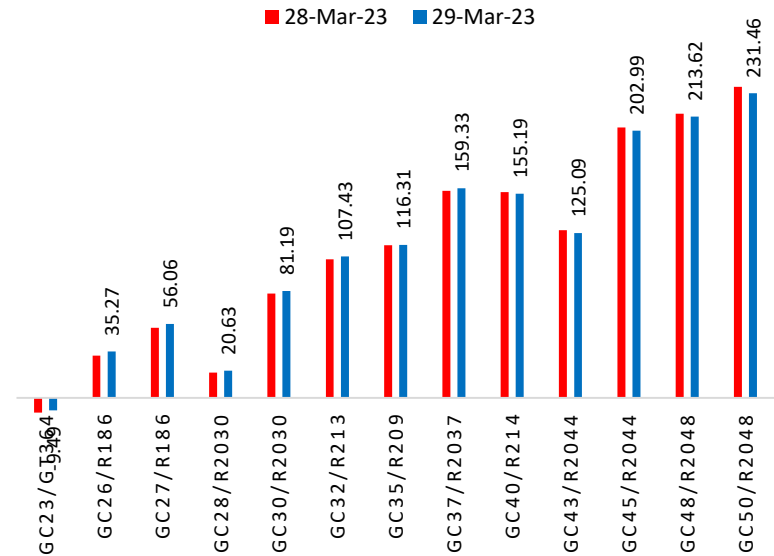
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 28-February-2023 vs. 29-March-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 28- March-2023 vs. 29-March-2023



Source: BoN & HEI Research

**Important disclosure:**

Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.