

## Daily Fixed Income Report (04 April 2023)

### HEI Fixed Income Market Commentary

- Yesterday, the South African rand weakened against the US dollar. In the US, the S&P Global manufacturing PMI improved less than expected in March. Meanwhile, the ISM manufacturing PMI declined more than expected in March.
- The data presented in Table 2 indicates a decrease in longer-dated sovereign bond yields, although there has been a particular increase observed in the short-dated and medium-dated tenors. Notably, the GC2028 bond yield witnessed a slight increase from 10.04% to 10.05%, while the longer-dated GC2045 bond yield recorded decline from 13.73% to 13.70%.
- According to Table 2, the recent decrease in sovereign bond yields can be attributed to significant changes in economic conditions, such as the devaluation of global equities in certain categories, the reduction of bond yields resulting from oil production cuts, and other related developments. It can be inferred that these factors have had a noteworthy impact on the current state of the bond market.
- Table 1 displays a slight mixed change in fixed-term deposits

Table 1. Fixed Term Deposits

Term	31-Mar-23	3-Apr-23
1 Month	7.39	7.51
2 Months	7.49	7.61
3 Months	7.62	7.65
4 Months	7.75	7.79
5 Months	7.85	7.91
6 Months	8.23	8.24
7 Months	8.28	8.29
8 Months	8.34	8.38
9 Months	8.41	8.41
10 Months	8.53	8.54
11 Months	8.57	8.58
12 Months	8.64	8.65

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			3-Mar-23	31-Mar-23	3-Apr-23		3-Apr-23
GC23	8.85	15-Oct-23	8.29	8.18	8.17	-0.62	100.34
GC24	10.5	15-Oct-24	7.86	7.74	7.79	5.80	103.84
GC25	8.5	15-Apr-25	8.64	8.46	8.51	4.80	99.98
GC26	8.5	15-Apr-26	8.78	8.75	8.81	5.80	99.18
GC27	8	15-Jan-27	9.10	8.96	9.02	5.80	96.76
GC28	8.5	15-Oct-28	10.25	10.04	10.05	1.20	93.52
GC30	8	15-Jan-30	10.88	10.65	10.66	0.90	87.34
GC32	9	15-Apr-32	11.61	11.29	11.27	-1.60	87.31
GC35	9.5	15-Jul-35	12.43	12.30	12.29	-1.50	82.51
GC37	9.5	15-Jul-37	12.97	12.95	12.93	-2.45	77.88
GC40	9.8	15-Oct-40	13.08	13.00	13.00	-0.40	78.08
GC43	10	15-Jul-43	13.63	12.95	12.95	-0.50	78.99
GC45	9.85	15-Jul-45	13.70	13.73	13.70	-2.75	73.32
GC48	10	15-Oct-48	13.74	13.81	13.82	1.00	73.71
GC50	10.25	15-Jul-50	14.02	14.05	14.05	0.25	73.58

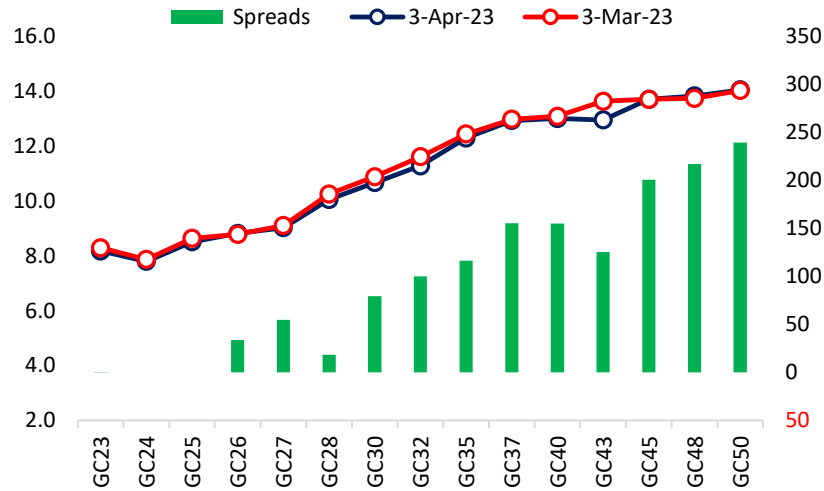
Source: BoN & HEI Research

#### 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.

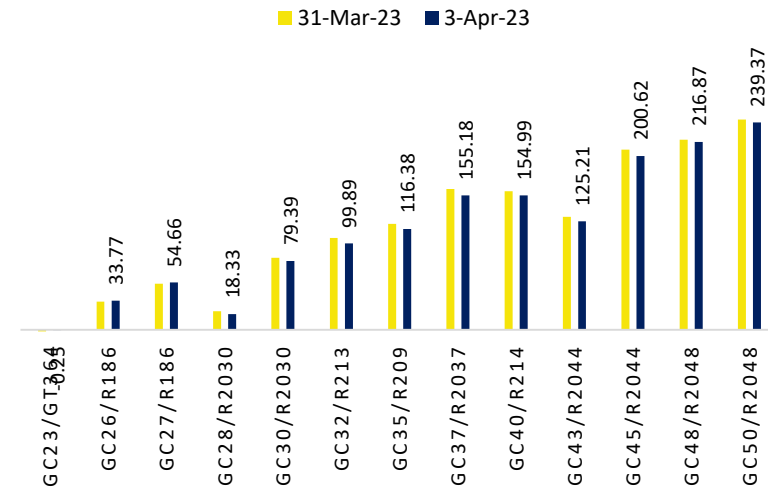


Figure 1. Namibia Bond Yield: 03-March-2023 vs. 03-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 31- March-2023 vs. 03-April-2023



Source: BoN & HEI Research

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