



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, factory orders declined more than expected in February. Meanwhile, the IBD economic optimism improved in April.
- The data presented in Table 2 indicates an increase in short-dated sovereign bond yields, although there has been a particular decline observed in the longer-dated yields. Notably, the GC2028 bond yield witnessed a slight increase from 10.05% to 10.07%, while the longer-dated GC2045 bond yield recorded a decline from 13.70% to 13.69%.
- According to Table 2, the recent decrease in longer-term sovereign bond yields can be attributed to significant changes in economic conditions, such as interest rates hike which may show favorable conditions for investors
- Table 1 displays a decline change in fixed-term deposits

Table 1. Fixed Term Deposits

Term	3-Apr-23	4-Apr-23
1 Month	7.51	7.51
2 Months	7.61	7.61
3 Months	7.65	7.65
4 Months	7.79	7.79
5 Months	7.91	7.91
6 Months	8.24	8.24
7 Months	8.29	8.29
8 Months	8.38	8.38
9 Months	8.41	8.41
10 Months	8.54	8.53
11 Months	8.58	8.58
12 Months	8.65	8.64

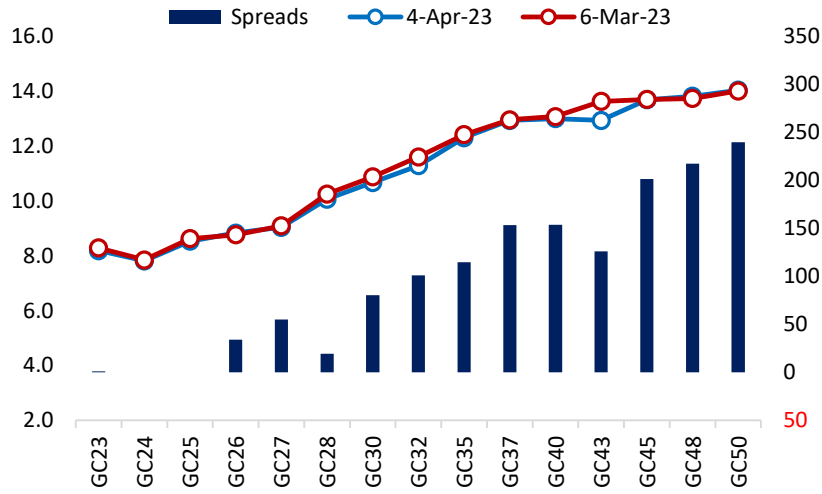
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			6-Mar-23	3-Apr-23	4-Apr-23		4-Apr-23
GC23	8.85	15-Oct-23	8.29	8.17	8.19	1.43	100.33
GC24	10.5	15-Oct-24	7.85	7.79	7.81	2.10	103.80
GC25	8.5	15-Apr-25	8.63	8.51	8.53	2.20	99.94
GC26	8.5	15-Apr-26	8.77	8.81	8.83	2.00	99.13
GC27	8	15-Jan-27	9.09	9.02	9.04	2.10	96.70
GC28	8.5	15-Oct-28	10.25	10.05	10.07	1.30	93.47
GC30	8	15-Jan-30	10.88	10.66	10.67	0.90	87.30
GC32	9	15-Apr-32	11.61	11.27	11.29	1.30	87.25
GC35	9.5	15-Jul-35	12.42	12.29	12.31	2.00	82.41
GC37	9.5	15-Jul-37	12.96	12.93	12.94	1.20	77.82
GC40	9.8	15-Oct-40	13.07	13.00	13.00	-0.10	78.09
GC43	10	15-Jul-43	13.63	12.95	12.94	-1.00	79.04
GC45	9.85	15-Jul-45	13.70	13.70	13.69	-1.25	73.38
GC48	10	15-Oct-48	13.73	13.82	13.81	-1.00	73.76
GC50	10.25	15-Jul-50	14.01	14.05	14.04	-1.25	73.65

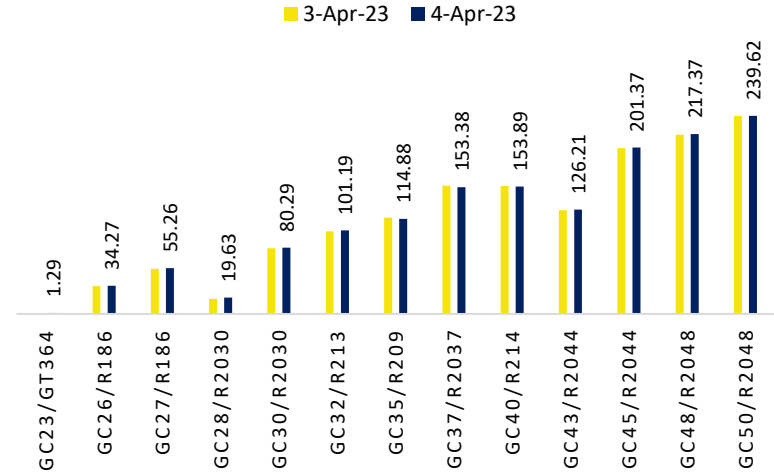
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 06-March-2023 vs. 04-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 04-April-2023 vs. 03-April-2023



Source: BoN & HEI Research

Important disclosure:

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