

Daily Fixed Income Report (14 April 2023)

HEI Fixed Income Market Commentary

- Yesterday, the South African rand strengthened against the US dollar. In the US, the producer price index (PPI) unexpectedly declined in March. Meanwhile, the number of people filing for initial jobless claims advanced more than expected in the week ended 7 April 2023.
- Table 2 highlights a significant increase in the yields belonging to short-term sovereign bonds. Specifically, the GC2027 bond yield soaring from 9.03% to 9.05%, whereas the longer-dated GC2045 bond yield exhibited a drop from 13.84% to 13.71%.
- Table 2 depicts a notable drop in longer-dated sovereign bond yields, which continues to prevail as US government bond yields experienced a decline for 4th time in the past 5 weeks, failing to sustain gains from the previous week. Yields on 10-year US Treasury bond dropped to 3.29%, significant decrease from its peak of 4.07%.
- Table 1 displays no changes in fixed-term deposits

Table 1. Fixed Term Deposits

Term	12-Apr-23	13-Apr-23
1 Month	7.50	7.50
2 Months	7.59	7.59
3 Months	7.73	7.73
4 Months	7.90	7.90
5 Months	8.01	8.01
6 Months	8.29	8.29
7 Months	8.38	8.38
8 Months	8.46	8.46
9 Months	8.53	8.53
10 Months	8.61	8.61
11 Months	8.64	8.64
12 Months	8.68	8.68

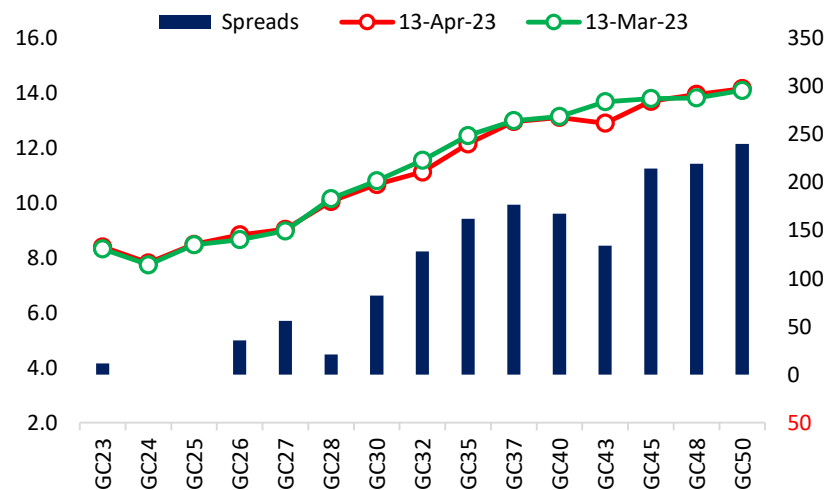
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			13-Mar-23	12-Apr-23	13-Apr-23	(bps)	12-Apr-23
GC23	8.85	15-Oct-23	8.33	8.34	8.41	6.38	100.25
GC24	10.5	15-Oct-24	7.75	7.81	7.82	1.70	103.77
GC25	8.5	15-Apr-25	8.48	8.49	8.50	1.40	100.02
GC26	8.5	15-Apr-26	8.67	8.83	8.85	1.60	99.14
GC27	8	15-Jan-27	8.99	9.03	9.05	1.60	96.74
GC28	8.5	15-Oct-28	10.17	10.07	10.06	-1.00	93.46
GC30	8	15-Jan-30	10.81	10.69	10.68	-1.00	87.26
GC32	9	15-Apr-32	11.56	11.31	11.14	-17.80	87.13
GC35	9.5	15-Jul-35	12.46	12.47	12.16	-30.90	81.54
GC37	9.5	15-Jul-37	13.01	13.10	12.97	-12.50	76.98
GC40	9.8	15-Oct-40	13.16	13.20	13.12	-7.40	77.00
GC43	10	15-Jul-43	13.69	13.04	12.91	-12.63	78.44
GC45	9.85	15-Jul-45	13.81	13.84	13.71	-12.50	72.60
GC48	10	15-Oct-48	13.84	13.97	13.97	-0.50	72.94
GC50	10.25	15-Jul-50	14.11	14.15	14.17	1.75	73.04

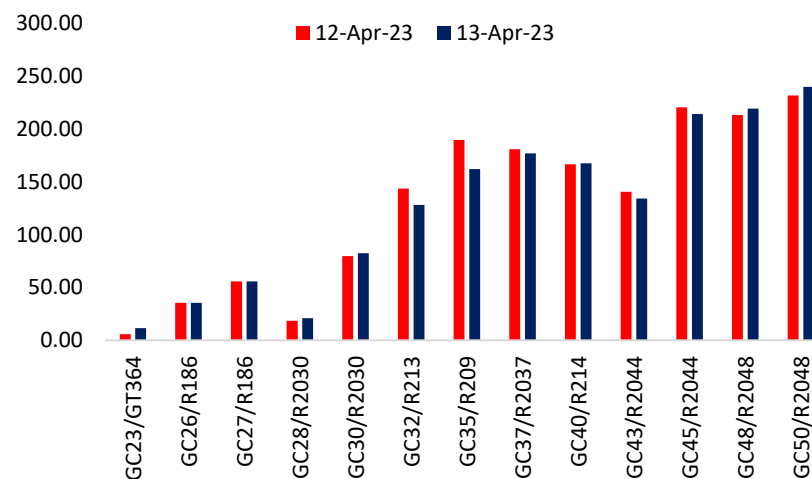
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 13-March-2023 vs. 13-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 12- April-2023 vs. 13- April-2023



Source: BoN & HEI Research

Important disclosure:

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