

Daily Fixed Income Report (17 April 2023)

HEI Fixed Income Market Commentary

- Yesterday, the South African rand weakened against the US dollar. In the US, the NY Empire State manufacturing index rose for the first time in five months in April. Further, the NAHB housing market index advanced in April.
- Table 2 observed mixed behavior from sovereign bonds with the GC2027 bond yield declining from 9.31% to 9.27%, thereafter the longer-dated GC2043 bond yield exhibited a significant decline from 13.54% to 12.89%.
- As observed in Table 2, the noteworthy drop in long-dated government bond yields can be attributed to the impact of yield curve inversion, which could potentially indicate an upcoming economic downturn
- Table 1 displayed slight increases in fixed-term deposits

Table 1. Fixed Term Deposits

Term	16-Apr-23	17-Apr-23
1 Month	7.55	7.55
2 Months	7.64	7.64
3 Months	7.78	7.75
4 Months	7.94	7.91
5 Months	8.06	8.04
6 Months	8.33	8.33
7 Months	8.43	8.43
8 Months	8.50	8.50
9 Months	8.56	8.57
10 Months	8.62	8.62
11 Months	8.65	8.66
12 Months	8.70	8.70

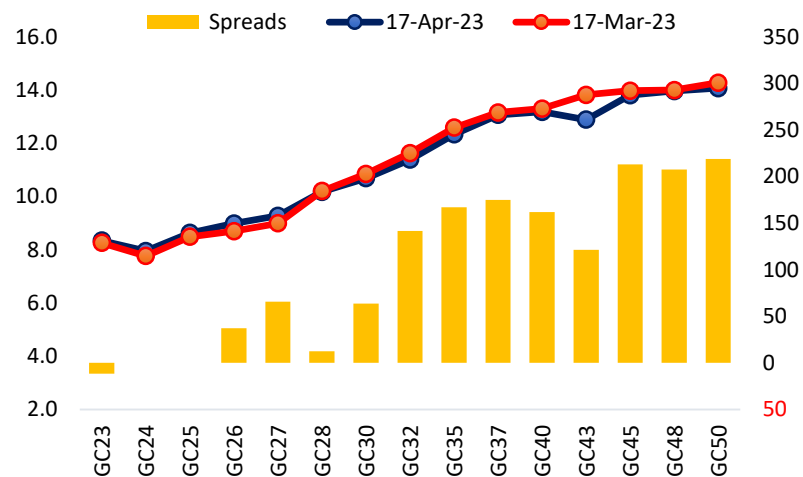
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			17-Mar-23	16-Apr-23	17-Apr-23	(bps)	12-Apr-23
GC23	8.85	15-Oct-23	8.26	8.26	8.34	8.35	100.25
GC24	10.5	15-Oct-24	7.77	7.88	7.95	7.40	103.77
GC25	8.5	15-Apr-25	8.48	8.56	8.63	7.30	100.02
GC26	8.5	15-Apr-26	8.70	8.92	8.99	6.90	99.14
GC27	8	15-Jan-27	8.99	9.31	9.27	-3.75	96.74
GC28	8.5	15-Oct-28	10.20	10.15	10.17	2.66	93.46
GC30	8	15-Jan-30	10.85	10.74	10.68	-5.90	87.26
GC32	9	15-Apr-32	11.63	11.37	11.38	1.33	87.13
GC35	9.5	15-Jul-35	12.59	12.31	12.33	2.50	81.54
GC37	9.5	15-Jul-37	13.15	13.05	13.07	2.20	76.98
GC40	9.8	15-Oct-40	13.30	13.17	13.18	1.10	77.00
GC43	10	15-Jul-43	13.82	13.54	12.89	-64.81	78.44
GC45	9.85	15-Jul-45	13.97	13.78	13.81	2.94	72.60
GC48	10	15-Oct-48	14.00	13.97	13.96	-1.00	72.94
GC50	10.25	15-Jul-50	14.28	14.09	14.07	-2.25	73.04

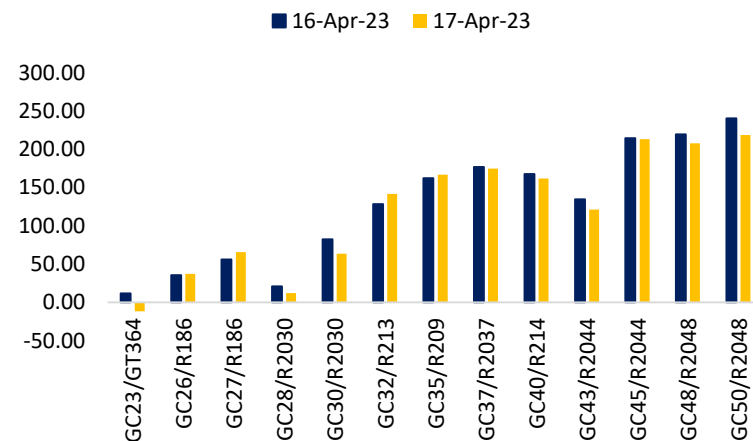
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 17-March-2023 vs. 17-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 16-April-2023 vs. 17-April-2023



Source: BoN & HEI Research

Important disclosure:

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