

Daily Fixed Income Report (18 April 2023)

HEI Fixed Income Market Commentary

- Yesterday, the South African rand strengthened against the US dollar. In South Africa, the business confidence index dropped in March, amid persistent energy crisis and higher interest rates. In the US, both, building permits and housing starts declined in March.
- Table 2 observed an increase in all sovereign bonds, with the short-dated bond, the GC2027 bond yield soaring from 9.27% to 9.43%, thereafter the longer-dated GC2043 bond yield exhibited a significant decline from 12.89% to 13.44%.
- As observed in Table 2, the one-day variation resulting in a rebound of bond yields could be attributed to economic data releases, interest rate changes by central banks.
- Table 1 displayed no changes in fixed-term deposits

Table 1. Fixed Term Deposits

Term	17-Apr-23	18-Apr-23
1 Month	7.55	7.55
2 Months	7.64	7.64
3 Months	7.75	7.75
4 Months	7.91	7.91
5 Months	8.04	8.04
6 Months	8.33	8.33
7 Months	8.43	8.43
8 Months	8.50	8.50
9 Months	8.57	8.57
10 Months	8.62	8.62
11 Months	8.66	8.66
12 Months	8.70	8.70

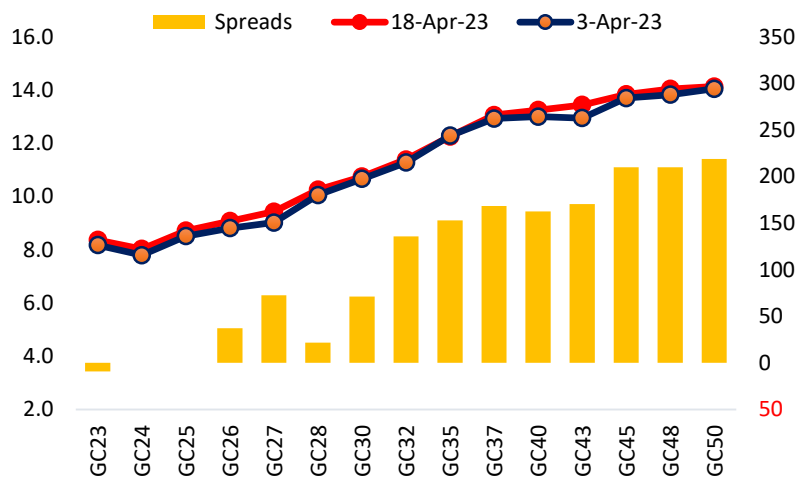
Source: BoN & HEI Research

Table 2. Namibia Government Bonds

Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			3-Apr-23	17-Apr-23	18-Apr-23	(bps)	12-Apr-23
GC23	8.85	15-Oct-23	8.17	8.34	8.37	2.27	100.25
GC24	10.5	15-Oct-24	7.79	7.95	8.03	8.10	103.77
GC25	8.5	15-Apr-25	8.51	8.63	8.71	8.10	100.02
GC26	8.5	15-Apr-26	8.81	8.99	9.07	8.90	99.14
GC27	8	15-Jan-27	9.02	9.27	9.43	15.90	96.74
GC28	8.5	15-Oct-28	10.05	10.17	10.25	8.00	93.46
GC30	8	15-Jan-30	10.66	10.68	10.75	6.20	87.26
GC32	9	15-Apr-32	11.27	11.38	11.39	0.61	87.13
GC35	9.5	15-Jul-35	12.29	12.33	12.26	-7.60	81.54
GC37	9.5	15-Jul-37	12.93	13.07	13.06	-0.50	76.98
GC40	9.8	15-Oct-40	13.00	13.18	13.25	6.63	77.00
GC43	10	15-Jul-43	12.95	12.89	13.44	55.14	78.44
GC45	9.85	15-Jul-45	13.70	13.81	13.84	2.83	72.60
GC48	10	15-Oct-48	13.82	13.96	14.04	8.38	72.94
GC50	10.25	15-Jul-50	14.05	14.07	14.13	6.12	73.04

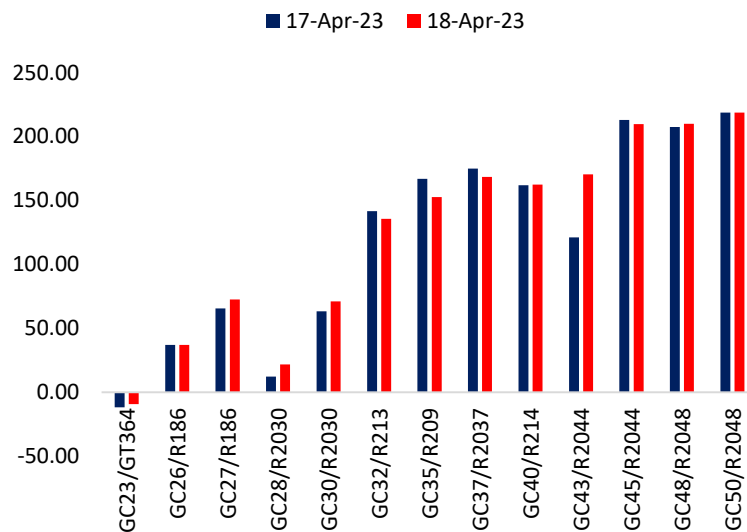
Source: BoN & HEI Research

Figure 1. Namibia Bond Yield: 3-April-2023 vs. 18-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 17- April-2023 vs. 18- April-2023



Source: BoN & HEI Research

Important disclosure:

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