



Daily Fixed Income Report (10 May 2023)

HEI Fixed Income Market Commentary

- Yesterday, the South African rand weakened against the US dollar. In the US, the consumer prices index (CPI) increased less than expected in April. Moreover, the number of MBA mortgage applications rose in the week ended 5 May 2023.

- According to the data presented in Table 2, there was a significant increase in the yields of sovereign government bonds. The GC2026 bond yield went up from 9.12% to 9.36%, while the GC2048 bond yield declined from 14.10% to 13.95%.
- It is plausible that the variations in bond yields may be attributable to the currency peg between the US dollar and the South African rand
- Table 1 exhibited a slight increase in fixed-term deposit rates

Table 1. Fixed Term Deposits

Term	8-May-23	9-May-23
1 Month	7.57	7.57
2 Months	7.65	7.65
3 Months	7.74	7.74
4 Months	7.85	7.85
5 Months	7.91	7.91
6 Months	8.26	8.26
7 Months	8.35	8.35
8 Months	8.43	8.46
9 Months	8.54	8.54
10 Months	8.57	8.58
11 Months	8.66	8.67
12 Months	8.73	8.73

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

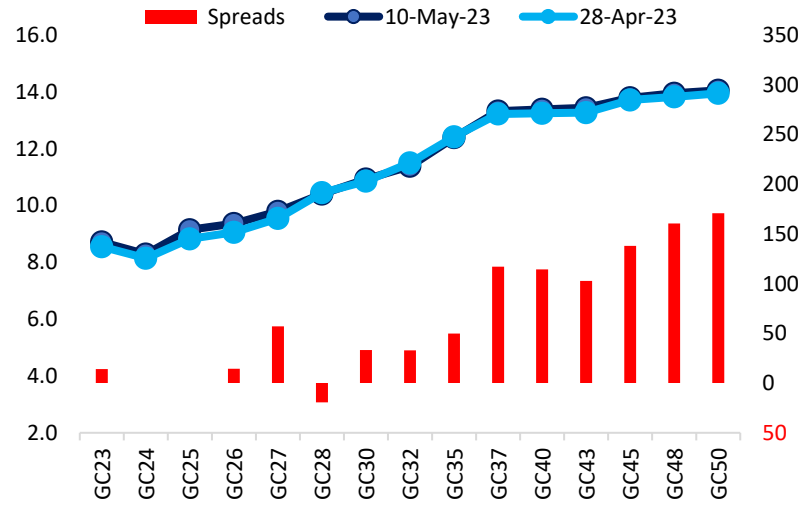
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			28-Apr-23	9-May-23	10-May-23	(bps)	10-May-23
GC23	8.85	15-Oct-23	8.55	8.70	8.71	1.76	100.03
GC24	10.5	15-Oct-24	8.14	8.01	8.29	27.30	102.92
GC25	8.5	15-Apr-25	8.82	8.87	9.15	27.30	98.87
GC26	8.5	15-Apr-26	9.06	9.12	9.36	24.03	97.82
GC27	8	15-Jan-27	9.54	9.52	9.79	27.30	94.55
GC28	8.5	15-Oct-28	10.45	10.27	10.40	13.37	92.24
GC30	8	15-Jan-30	10.86	10.70	10.93	23.00	86.34
GC32	9	15-Apr-32	11.50	11.22	11.38	16.24	86.86
GC35	9.5	15-Jul-35	12.42	12.36	12.39	3.06	82.04
GC37	9.5	15-Jul-37	13.22	13.33	13.32	-1.26	75.89
GC40	9.8	15-Oct-40	13.25	13.41	13.38	-2.68	76.01
GC43	10	15-Jul-43	13.27	13.54	13.44	-10.37	76.23
GC45	9.85	15-Jul-45	13.71	13.99	13.79	-19.66	72.88
GC48	10	15-Oct-48	13.82	14.10	13.95	-14.99	73.07
GC50	10.25	15-Jul-50	13.95	14.15	14.05	-9.74	73.57

Source: BoN & HEI Research

Important disclosure:

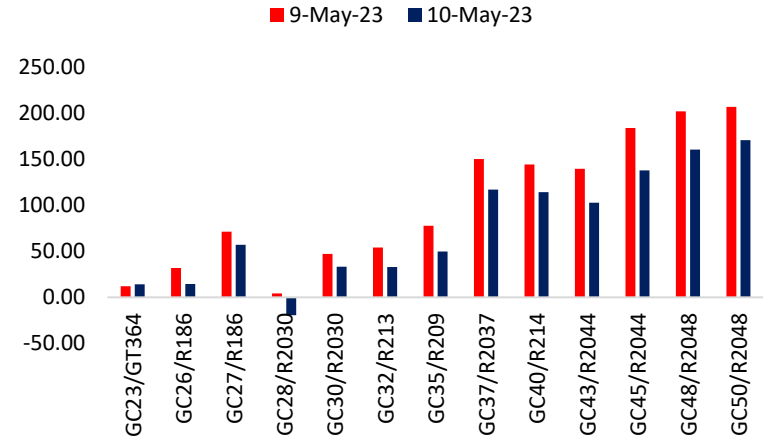
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Figure 1. Namibia Bond Yield: 28-April-2023 vs. 10-May-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 9-May-2023 vs. 10-May-2023



Source: BoN & HEI Research

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