

## Daily Fixed Income Report (02 May 2023)

### HEI Fixed Income Market Commentary

- Yesterday, the South African rand weakened against the US dollar. In the US, factory orders rose more than expected in March. Meanwhile, the number of JOLTs job openings dropped more than expected in March.

- As per Table 2, the majority of sovereign bonds have a surge in yields. Specifically, the GC2026 short-dated bond witnessed a marginal drop from 9.06% to 9.07%, while the longer-dated GC2048 bond yield saw a more pronounced decline from 13.82% to 13.84%.
- According to Table 2, the increase in bond yields could be attributed to the U.S economic data releases, especially the U.S Fed decisions on the repo rate.
- Table 1 exhibited significant soar in fixed-term deposit rates

Table 1. Fixed Term Deposits

Term	28-Apr-23	2-May-23
<b>1 Month</b>	7.55	7.57
<b>2 Months</b>	7.60	7.65
<b>3 Months</b>	7.69	7.73
<b>4 Months</b>	7.81	7.84
<b>5 Months</b>	7.89	7.90
<b>6 Months</b>	8.28	8.25
<b>7 Months</b>	8.36	8.34
<b>8 Months</b>	8.45	8.46
<b>9 Months</b>	8.51	8.54
<b>10 Months</b>	8.57	8.57
<b>11 Months</b>	8.59	8.64
<b>12 Months</b>	8.66	8.73

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

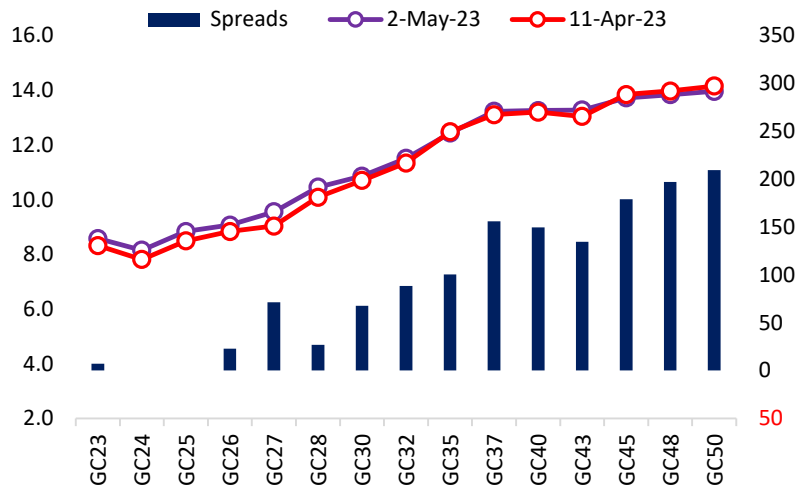
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			11-Apr-23	28-Apr-23	2-May-23	(bps)	2-May-23
GC23	8.85	15-Oct-23	8.32	8.55	8.58	3.00	100.10
GC24	10.5	15-Oct-24	7.81	8.14	8.15	1.00	103.15
GC25	8.5	15-Apr-25	8.49	8.82	8.83	1.00	99.40
GC26	8.5	15-Apr-26	8.84	9.06	9.07	1.00	98.54
GC27	8	15-Jan-27	9.04	9.54	9.55	1.00	95.22
GC28	8.5	15-Oct-28	10.09	10.45	10.46	1.00	92.01
GC30	8	15-Jan-30	10.71	10.86	10.86	1.00	86.58
GC32	9	15-Apr-32	11.34	11.50	11.51	1.00	86.17
GC35	9.5	15-Jul-35	12.48	12.42	12.43	2.00	81.78
GC37	9.5	15-Jul-37	13.11	13.22	13.24	2.00	76.31
GC40	9.8	15-Oct-40	13.20	13.25	13.26	2.00	76.64
GC43	10	15-Jul-43	13.05	13.27	13.28	1.00	77.10
GC45	9.85	15-Jul-45	13.85	13.71	13.73	1.00	73.20
GC48	10	15-Oct-48	13.98	13.82	13.84	2.00	73.61
GC50	10.25	15-Jul-50	14.16	13.95	13.97	2.00	74.02

Source: BoN & HEI Research

**Important disclosure:**

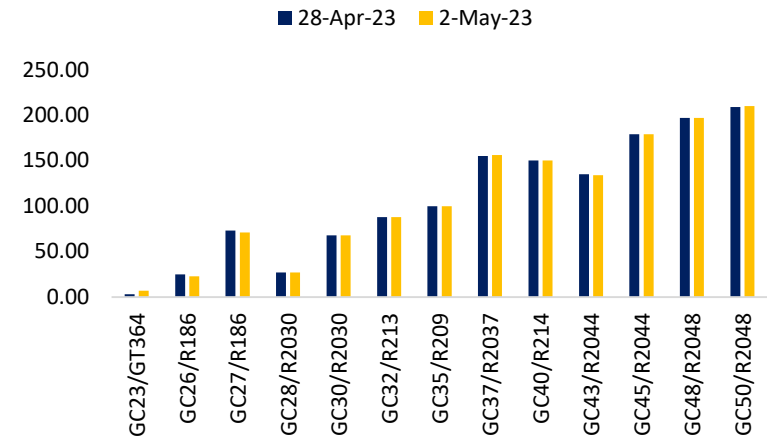
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Figure 1. Namibia Bond Yield: 11-April-2023 vs. 28-April-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 27- April-2023 vs. 28- April-2023



Source: BoN & HEI Research

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