



## Daily Fixed Income Report (26 May 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the South African rand strengthened against the US dollar. In the US, goods trade deficit unexpectedly expanded in April. Also, the Michigan consumer sentiment index fell to a 6-month low in May. Moreover, durable goods orders unexpectedly rose in April.

- Upon analyzing the data presented in Table 2, it becomes apparent that there has been a decrease in all the yields of government bonds. Particularly, the GC2026 bond witnessed a decline from 9.97% to 9.92%. Additionally, the longer-dated GC2048 bond experienced a decline, with its yield dropping from 14.02% to 13.95%.
- The decrease in bond yields can be attributed bearish scenario such as weaker economy with inflationary risks that could lead to high-interest rates.
- Table 1 exhibited significant decline in fixed term deposit

Table 1. Fixed Term Deposits

Term	24-May-23	26-May-23
1 Month	7.57	7.48
2 Months	7.65	7.58
3 Months	7.76	7.73
4 Months	7.86	7.82
5 Months	7.98	7.93
6 Months	8.31	8.28
7 Months	8.36	8.32
8 Months	8.48	8.45
9 Months	8.53	8.50
10 Months	8.61	8.60
11 Months	8.69	8.68
12 Months	8.75	8.75

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

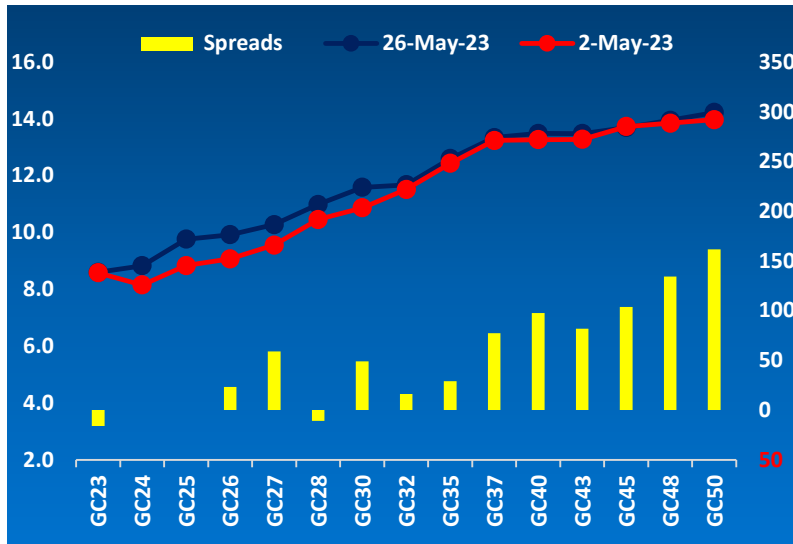
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-May-23	24-May-23	26-May-23	(bps)	26-May-23
GC23	8.85	15-Oct-23	8.58	8.65	8.60	-5.43	100.06
GC24	10.5	15-Oct-24	8.15	8.87	8.83	-4.40	102.12
GC25	8.5	15-Apr-25	8.83	9.81	9.76	-4.40	97.85
GC26	8.5	15-Apr-26	9.07	9.97	9.92	-4.40	96.49
GC27	8	15-Jan-27	9.55	10.49	10.28	-21.00	93.20
GC28	8.5	15-Oct-28	10.46	10.99	10.99	-0.20	90.06
GC30	8	15-Jan-30	10.86	11.59	11.59	0.00	83.68
GC32	9	15-Apr-32	11.51	11.71	11.68	-3.74	85.42
GC35	9.5	15-Jul-35	12.43	12.63	12.60	-3.00	80.94
GC37	9.5	15-Jul-37	13.24	13.38	13.34	-3.90	75.83
GC40	9.8	15-Oct-40	13.26	13.54	13.49	-5.30	75.47
GC43	10	15-Jul-43	13.28	13.56	13.48	-8.00	76.03
GC45	9.85	15-Jul-45	13.73	13.77	13.70	-7.75	73.38
GC48	10	15-Oct-48	13.84	14.02	13.95	-7.75	73.09
GC50	10.25	15-Jul-50	13.97	14.27	14.22	-5.25	72.71

Source: BoN & HEI Research

**Important disclosure:**

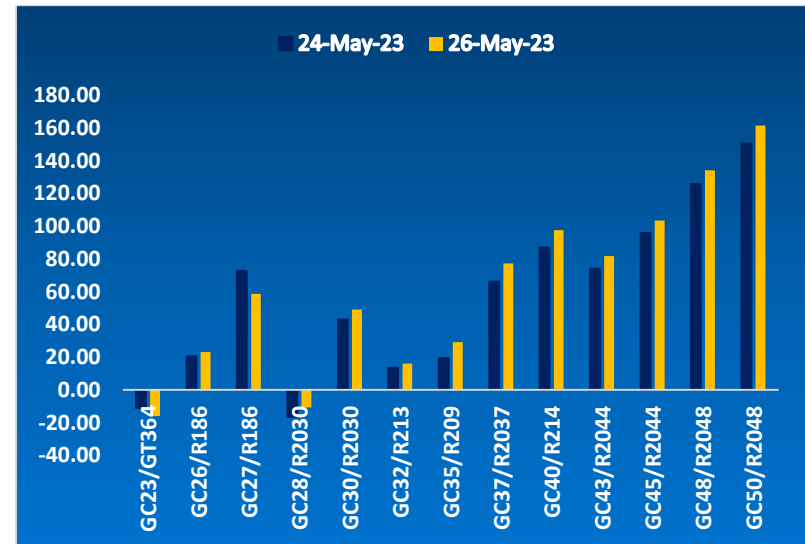
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Figure 1. Namibia Bond Yield: 2-May-2023 vs. 26-May-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 24-May-2023 vs. 26-May-2023



Source: BoN & HEI Research

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