



## Daily Fixed Income Report (30 May 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the South African rand weakened against the US dollar. In the US, housing price index rose more than expected in March. Meanwhile, the Dallas Fed manufacturing business index unexpectedly dropped in May. Also, the consumer confidence declined in May

- Upon analyzing the data presented in Table 2, there has been an upward surge in the yields of government bonds. Particularly, the GC2026 bond soared from 9.89% to 10.01%. Additionally, the longer-dated GC2048 bond experienced an increase, with its yield soaring from 14.04% to 14.12%.
- The mixed behaviors in bond yields can be attributed to change in investor demand on Namibian bonds due to strong economic growth projections amid the discovery of oil and the progress made by green hydrogen
- Table 1 exhibited an increase in fixed term deposit

Table 1. Fixed Term Deposits

Term	29-May-23	30-May-23
1 Month	7.57	7.55
2 Months	7.65	7.75
3 Months	7.76	7.83
4 Months	7.86	7.93
5 Months	7.98	8.01
6 Months	8.31	8.34
7 Months	8.36	8.39
8 Months	8.48	8.50
9 Months	8.53	8.56
10 Months	8.61	8.61
11 Months	8.69	8.69
12 Months	8.75	8.75

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

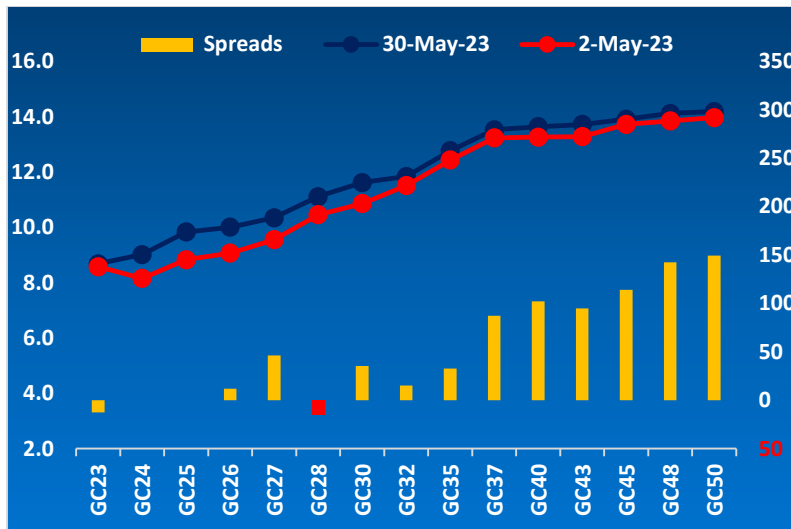
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices 30-May-23
			2-May-23	29-May-23	30-May-23		
GC23	8.85	15-Oct-23	8.58	8.66	8.68	1.97	100.03
GC24	10.5	15-Oct-24	8.15	8.90	9.01	11.30	101.86
GC25	8.5	15-Apr-25	8.83	9.72	9.83	11.20	97.74
GC26	8.5	15-Apr-26	9.07	9.89	10.01	11.20	96.30
GC27	8	15-Jan-27	9.55	10.24	10.35	11.20	93.02
GC28	8.5	15-Oct-28	10.46	11.01	11.11	10.70	89.61
GC30	8	15-Jan-30	10.86	11.51	11.62	10.70	83.56
GC32	9	15-Apr-32	11.51	11.71	11.84	13.35	84.63
GC35	9.5	15-Jul-35	12.43	12.66	12.77	10.70	80.07
GC37	9.5	15-Jul-37	13.24	13.43	13.53	10.10	74.88
GC40	9.8	15-Oct-40	13.26	13.54	13.64	9.90	74.68
GC43	10	15-Jul-43	13.28	13.63	13.72	9.00	74.74
GC45	9.85	15-Jul-45	13.73	13.82	13.91	9.00	72.27
GC48	10	15-Oct-48	13.84	14.04	14.12	8.38	72.21
GC50	10.25	15-Jul-50	13.97	14.14	14.19	5.13	72.88

Source: BoN & HEI Research

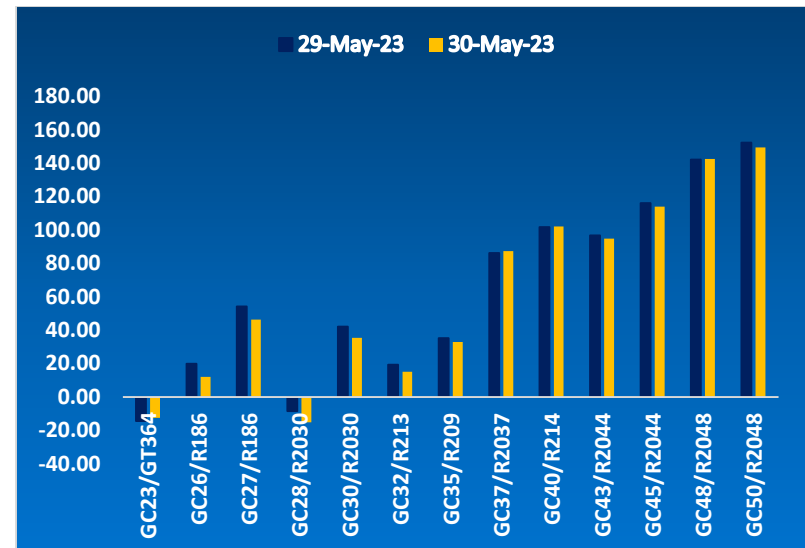
Figure 1. Namibia Bond Yield: 2-May-2023 vs. 30May-2023

**Important disclosure:**

Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.



Source: BoN & HEI Research



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Figure 2. Namibia vs. South Africa Bond Spreads: 29- May-2023 vs. 30-May-2023

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