



## Daily Fixed Income Report (04 May 2023)

### HEI Fixed Income Market Commentary

- The South African rand lost value against the US dollar yesterday. In the US, there were more initial jobless claims than predicted for the week ending 28 April 2023, while the trade deficit improved, but not by as much as expected, in March.

- Most government bonds showed mixed signals, according to Table 2. The short-term GC2026 bond yield slightly rose from 9.07% to 9.08%, while the longer-term GC2048 bond yield dropped more noticeably from 13.84% to 13.86%.
- Table 2 suggests that investor pessimism about economic prospects and outlook for growth and inflation may be driving the mixed signals in bond yields.
- Table 1 exhibited a significant increase in fixed-term deposit rate

Table 1. Fixed Term Deposits

Term	2-May-23	3-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

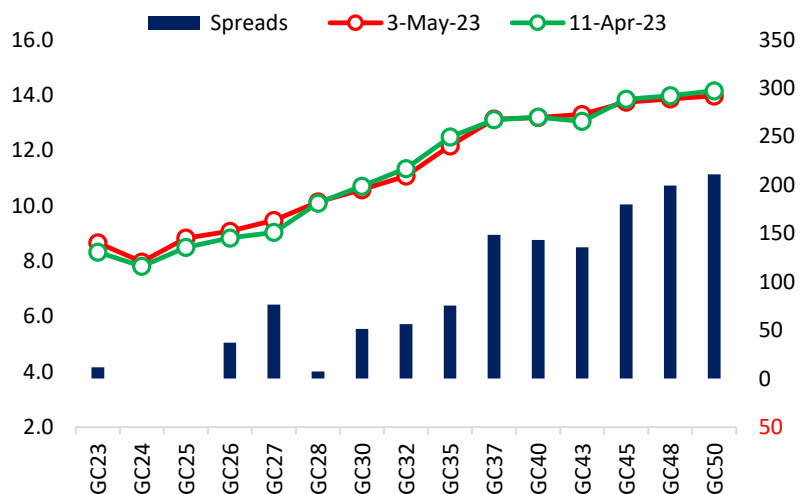
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			11-Apr-23	2-May-23	3-May-23	(bps)	3-May-23
GC23	8.85	15-Oct-23	8.32	8.58	8.66	8.15	100.07
GC24	10.5	15-Oct-24	7.81	8.15	7.97	-18.44	103.39
GC25	8.5	15-Apr-25	8.49	8.83	8.83	-0.74	99.42
GC26	8.5	15-Apr-26	8.84	9.07	9.08	0.86	98.52
GC27	8	15-Jan-27	9.04	9.55	9.47	-8.26	95.47
GC28	8.5	15-Oct-28	10.09	10.46	10.14	-31.89	93.26
GC30	8	15-Jan-30	10.71	10.86	10.58	-28.49	87.81
GC32	9	15-Apr-32	11.34	11.51	11.07	-44.05	88.41
GC35	9.5	15-Jul-35	12.48	12.43	12.16	-27.10	83.25
GC37	9.5	15-Jul-37	13.11	13.24	13.13	-10.10	76.83
GC40	9.8	15-Oct-40	13.20	13.26	13.19	-7.24	77.04
GC43	10	15-Jul-43	13.05	13.28	13.30	2.06	76.99
GC45	9.85	15-Jul-45	13.85	13.73	13.74	1.81	73.11
GC48	10	15-Oct-48	13.98	13.84	13.86	1.37	73.54
GC50	10.25	15-Jul-50	14.16	13.97	13.97	0.63	73.99

Source: BoN & HEI Research

**Important disclosure:**

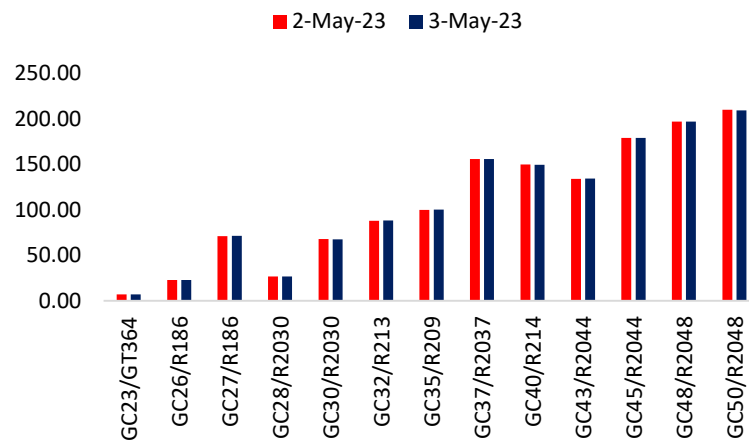
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Figure 1. Namibia Bond Yield: 11-April-2023 vs. 3-May-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 2- May-2023 vs. 3-May-2023



Source: BoN & HEI Research

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