



## Daily Fixed Income Report (5 May 2023)

### HEI Fixed Income Market Commentary

- Based on market data from Friday, the South African rand demonstrated weakness against the US dollar. In the US, the unemployment rate declined in April, while non-farm payrolls increased more than anticipated.
- Table 2 indicates that short-term sovereign government bond yields experienced a decline, while longer-term bond yields increased. The

GC2026 bond yield saw a decrease from 9.08% to 9.04%, while the GC2048 bond yield witnessed an increase.

- Based on the information presented in Table 2, it is possible that the fluctuation in bond yields could be attributed to expectations of future inflation. In the event that investors predict an increase in inflation, they may require higher yields to offset the decreasing value of their investment over time
- Table 1 exhibited an increase in fixed-term deposit rates

Table 1. Fixed Term Deposits

Term	3-May-23	5-May-23
<b>1 Month</b>	7.57	7.57
<b>2 Months</b>	7.65	7.65
<b>3 Months</b>	7.73	7.74
<b>4 Months</b>	7.84	7.85
<b>5 Months</b>	7.90	7.91
<b>6 Months</b>	8.25	8.26
<b>7 Months</b>	8.34	8.35
<b>8 Months</b>	8.46	8.43
<b>9 Months</b>	8.54	8.54
<b>10 Months</b>	8.57	8.57
<b>11 Months</b>	8.64	8.66
<b>12 Months</b>	8.73	8.73

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

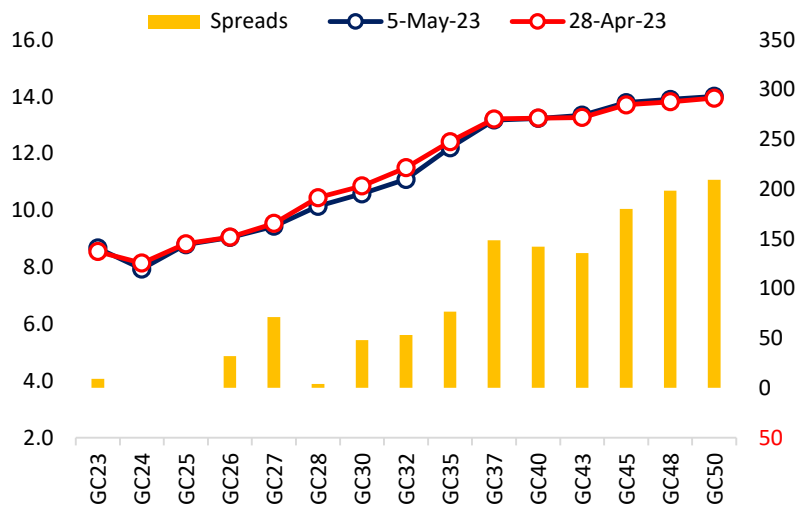
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			28-Apr-23	3-May-23	5-May-23	(bps)	5-May-23
GC23	8.85	15-Oct-23	8.55	8.66	8.67	1.46	100.06
GC24	10.5	15-Oct-24	8.14	7.97	7.93	-3.46	103.43
GC25	8.5	15-Apr-25	8.82	8.83	8.79	-3.46	99.48
GC26	8.5	15-Apr-26	9.06	9.08	9.04	-3.46	98.61
GC27	8	15-Jan-27	9.54	9.47	9.44	-3.44	95.57
GC28	8.5	15-Oct-28	10.45	10.14	10.14	0.54	93.24
GC30	8	15-Jan-30	10.86	10.58	10.58	0.54	87.79
GC32	9	15-Apr-32	11.50	11.07	11.09	1.55	88.33
GC35	9.5	15-Jul-35	12.42	12.16	12.21	4.30	83.02
GC37	9.5	15-Jul-37	13.22	13.13	13.18	4.10	76.62
GC40	9.8	15-Oct-40	13.25	13.19	13.24	4.44	76.80
GC43	10	15-Jul-43	13.27	13.30	13.35	4.56	76.74
GC45	9.85	15-Jul-45	13.71	13.74	13.79	4.56	72.87
GC48	10	15-Oct-48	13.82	13.86	13.90	4.50	73.30
GC50	10.25	15-Jul-50	13.95	13.97	14.01	3.75	73.79

Source: BoN & HEI Research

**Important disclosure:**

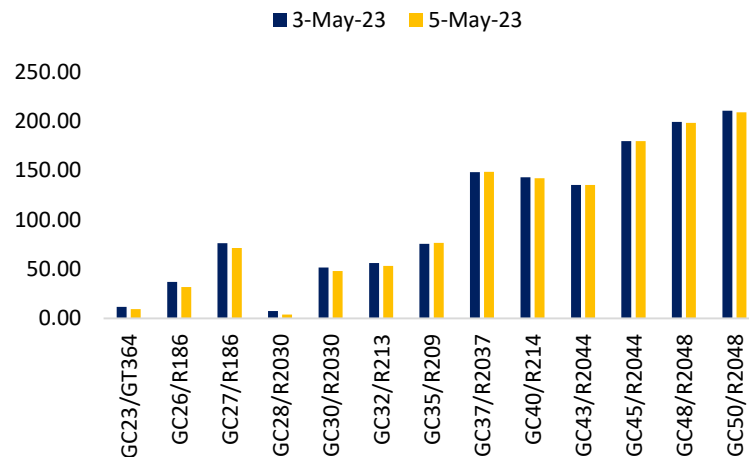
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Figure 1. Namibia Bond Yield: 28-April-2023 vs. 5-May-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 3- May-2023 vs. 5-May-2023



Source: BoN & HEI Research

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