



Daily Fixed Income Report (13 June 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the South African rand weakened against the US dollar. In the US, the CPI rose less than expected in May. Moreover, the NFIB business optimism index improved in May.
- After carefully analyzing the data presented in Table 2, it becomes apparent that government bond yields have been consistently

decreasing over the past two days. Notably, the GC2026 bond has witnessed a marginal decline, moving from 9.81% to 9.80%. Additionally, the longer-term GC2048 bond has experienced a decrease from 13.76% to 13.75%.

- The decline in bond yields could be interpreted as a signal of diminished investor confidence, highlighting a cautious approach taken by investors as they await upcoming macroeconomic data on the domestic
- Table 1 exhibited no change in NCDs

Table 1. NCD Rates

Term	12-Jun-23	13-Jun-23
3 Months	7.91	7.91
4 Months	8.00	8.00
5 Months	8.10	8.10
6 Months	8.43	8.43
9 Months	8.61	8.61
12 Months	8.81	8.81
18 Months	8.83	8.83
2 Years	8.81	8.81
3 Years	8.87	8.87
4 Years	8.96	8.96
5 Years	9.09	9.09

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

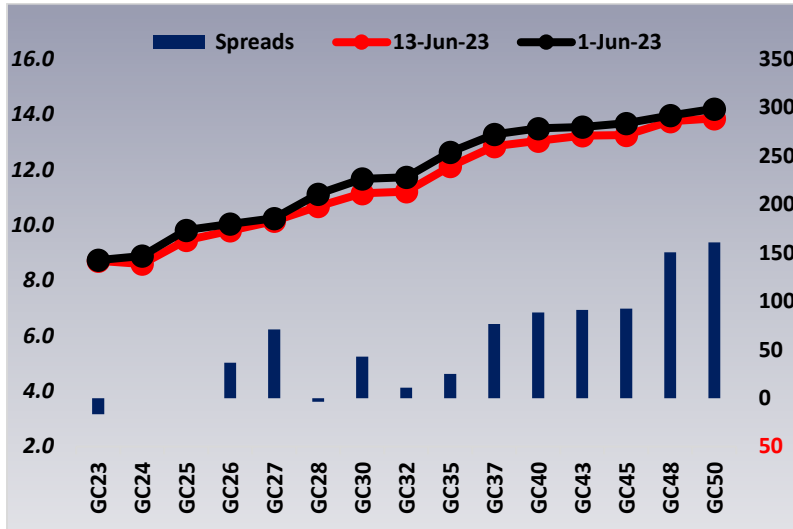
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 13-Jun-23
			1-Jun-23	12-Jun-23	13-Jun-23		
GC23	8.85	15-Oct-23	8.74	8.75	8.71	-3.77	101.01
GC24	10.5	15-Oct-24	8.89	8.60	8.60	-0.50	103.08
GC25	8.5	15-Apr-25	9.82	9.46	9.46	-0.30	98.86
GC26	8.5	15-Apr-26	10.05	9.81	9.80	-0.40	97.34
GC27	8	15-Jan-27	10.25	10.15	10.15	-0.40	94.47
GC28	8.5	15-Oct-28	11.13	10.70	10.68	-2.30	90.72
GC30	8	15-Jan-30	11.68	11.17	11.15	-2.30	84.50
GC32	9	15-Apr-32	11.73	11.23	11.21	-2.30	86.38
GC35	9.5	15-Jul-35	12.64	12.21	12.13	-8.52	81.96
GC37	9.5	15-Jul-37	13.29	12.90	12.85	-4.91	77.28
GC40	9.8	15-Oct-40	13.50	13.06	13.05	-1.54	76.57
GC43	10	15-Jul-43	13.55	13.25	13.24	-0.81	76.84
GC45	9.85	15-Jul-45	13.68	13.26	13.25	-0.56	74.66
GC48	10	15-Oct-48	13.97	13.76	13.75	-0.90	74.21
GC50	10.25	15-Jul-50	14.21	13.97	13.86	-11.20	74.00

Source: BoN & HEI Research

Important disclosure:

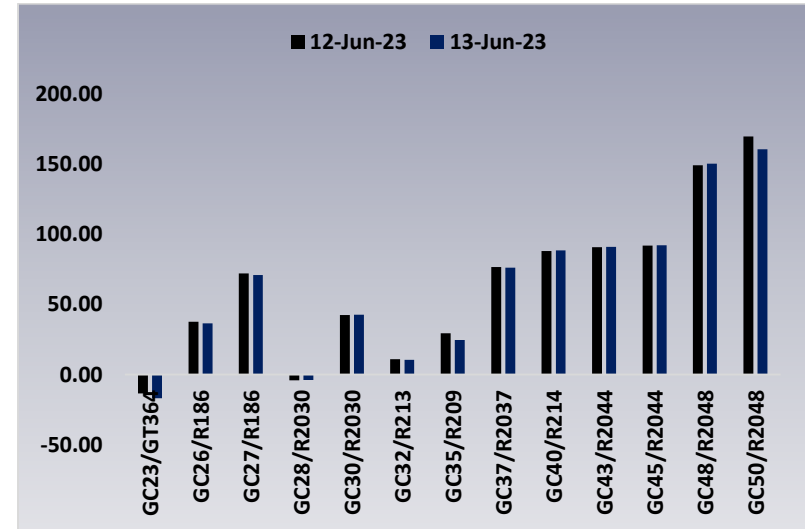
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 13-June-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 12-June-2023 vs. 13-June-2023



Source: BoN & HEI Research

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