



Daily Fixed Income Report (14 June 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the South African rand strengthened against the US dollar. In South Africa, retail sales dropped for a fifth consecutive month in April. Moreover, the business confidence index declined in May. Separately, in the US, the producers price index (PPI) dropped more than expected in May, amid drop in energy and food prices. Further, the number of mortgage applications rose in the week ended 9 June 2023.

- Upon meticulous examination of the data provided in Table 2, a discernible trend emerges, indicating a consistent decline in the majority of government bond yields during the preceding three days. Noteworthy is the slight decrease observed in the GC2026 bond, as it shifted from 9.80% to 9.76%. Furthermore, the more extended-term GC2048 bond also experienced a reduction from 13.75% to 13.73%. It is of significance to highlight the notable upsurge in the GC35 yield, which escalated from 12.13% to 12.17%.
- The decline in most bond yields could be interpreted as a signal of warnings by the U.S Feds warning on borrowing costs in the US
- Table 1 exhibited no change in Fixed-term deposits

Table 1: Fixed Term Deposits

Term	13-Jun-23	14-Jun-23
1 Month	7.56	7.56
2 Months	7.70	7.70
3 Months	7.89	7.89
4 Months	7.98	7.98
5 Months	8.08	8.08
6 Months	8.39	8.39
7 Months	8.46	8.46
8 Months	8.53	8.53
9 Months	8.59	8.59
10 Months	8.65	8.65
11 Months	8.73	8.73
12 Months	8.79	8.79

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

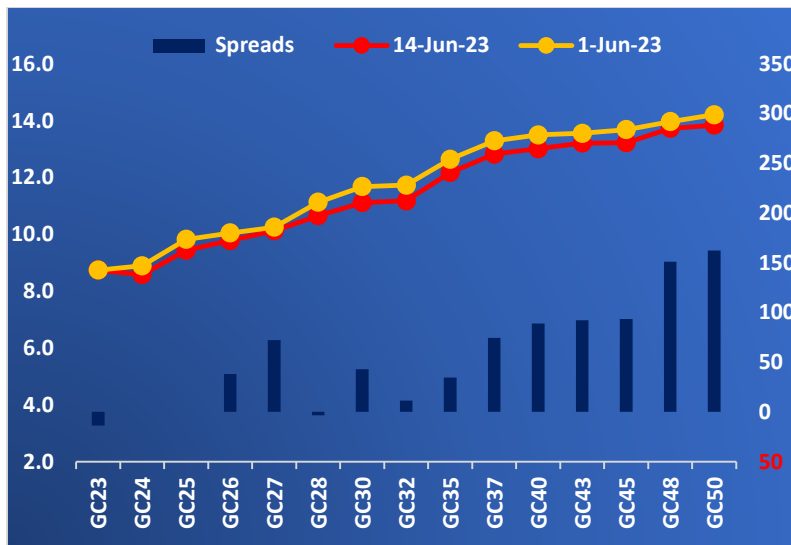
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Jun-23	13-Jun-23	14-Jun-23	(bps)	14-Jun-23
GC23	8.85	15-Oct-23	8.74	8.71	8.74	2.53	101.01
GC24	10.5	15-Oct-24	8.89	8.60	8.58	-1.76	103.08
GC25	8.5	15-Apr-25	9.82	9.46	9.44	-1.94	98.86
GC26	8.5	15-Apr-26	10.05	9.80	9.78	-1.88	97.34
GC27	8	15-Jan-27	10.25	10.15	10.13	-2.06	94.47
GC28	8.5	15-Oct-28	11.13	10.68	10.65	-2.98	90.72
GC30	8	15-Jan-30	11.68	11.15	11.12	-3.17	84.50
GC32	9	15-Apr-32	11.73	11.21	11.18	-3.60	86.38
GC35	9.5	15-Jul-35	12.64	12.13	12.17	4.88	81.96
GC37	9.5	15-Jul-37	13.29	12.85	12.82	-3.36	77.28
GC40	9.8	15-Oct-40	13.50	13.05	13.01	-3.23	76.57
GC43	10	15-Jul-43	13.55	13.24	13.21	-3.10	76.84
GC45	9.85	15-Jul-45	13.68	13.25	13.22	-3.23	74.66
GC48	10	15-Oct-48	13.97	13.75	13.73	-2.75	74.21
GC50	10.25	15-Jul-50	14.21	13.86	13.84	-1.52	74.00

Source: BoN & HEI Research

Important disclosure:

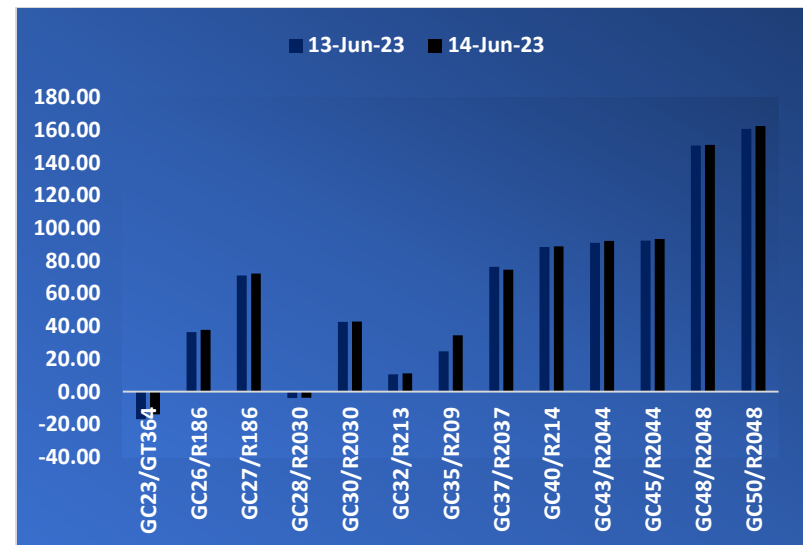
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 14-June-2023



Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 13-June-2023 vs. 14-June-2023



Source: BoN & HEI Research

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