



Absa Stockbrokers and Portfolio Management:

SA Government bond market landscape

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What's out there?

The % change in capital expected from a 100bp swing in the yield to maturity

Given the Coupon and the Capital price – what is the actual interest rate (running yield) earned?

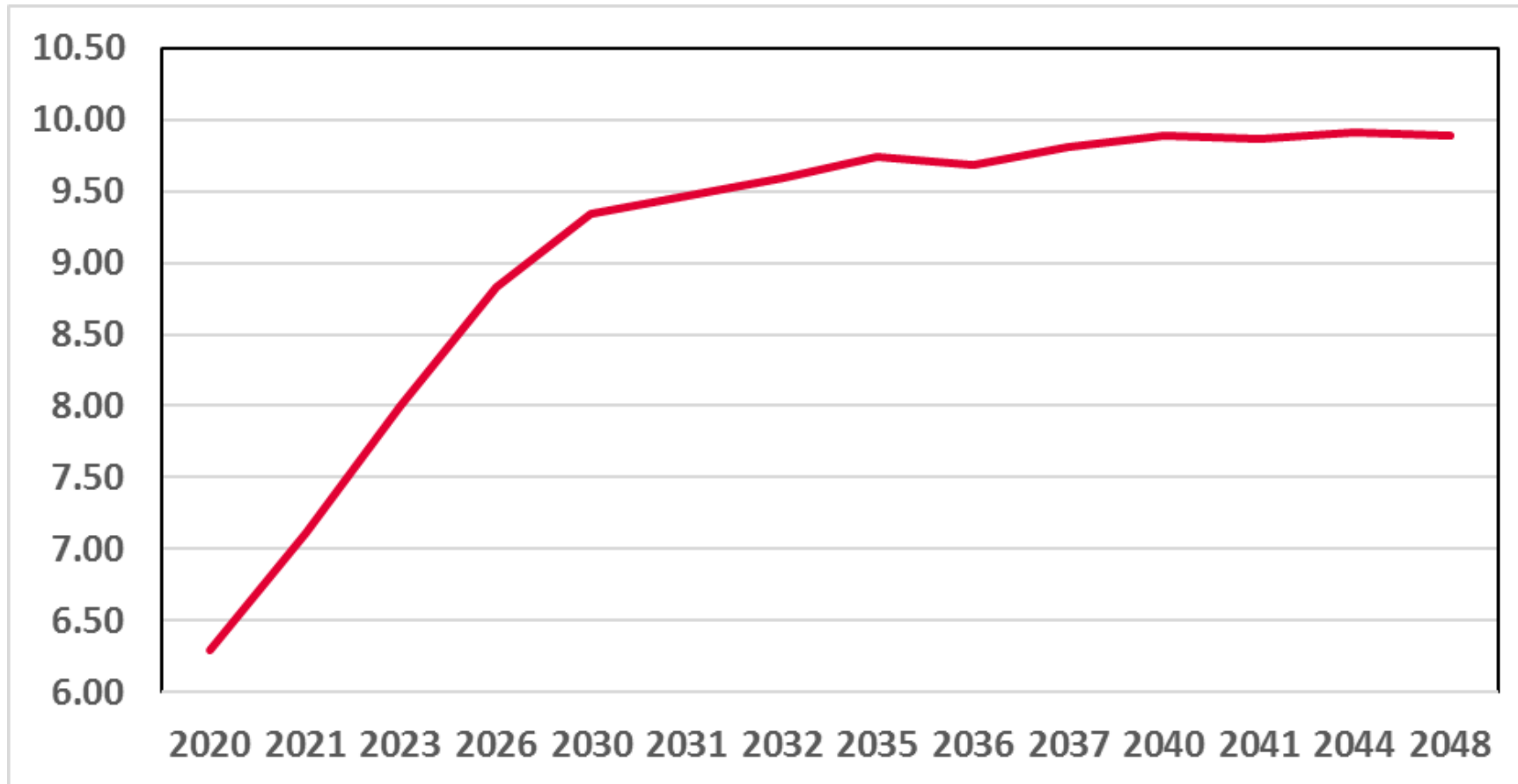
Capital price per R100 nominal – all bonds mature at par (R100)

Fixed interest rate paid on the nominal amount of bonds owned

BOND	Bid	Ask	Close	Mdur	Run Y	Maturity	Clean	Interest	Total	CPN
R207	6.36	6.24	6.30	0.89	7.19	2020/01/15	100.81	0.26	101.07	7.25
R208	7.16	7.06	7.99	1.94	6.81	2021/03/31	99.19	2.22	101.40	6.75
R2023	8.02	7.99	8.37	3.33	7.82	2023/02/28	99.05	3.18	102.23	7.75
R186	8.84	8.83	8.94	5.38	9.62	2026/12/21	109.15	1.09	110.25	10.50
R2030	9.36	9.34	9.35	7.00	8.82	2030/01/31	90.68	-0.07	90.62	8.00
R213	9.48	9.46	9.45	7.31	8.50	2031/02/28	82.31	2.88	85.19	7.00
R2032	9.60	9.58	9.54	7.40	9.18	2032/03/31	89.91	2.71	92.62	8.25
R2035	9.75	9.73	9.64	7.88	9.57	2035/02/28	92.78	3.65	96.42	8.88
R209	9.70	9.68	9.62	8.82	8.77	2036/03/31	71.29	2.05	73.35	6.25
R2037	9.83	9.81	9.71	8.61	9.58	2037/01/31	88.75	-0.07	88.68	8.50
R2040	9.90	9.88	9.79	8.92	9.79	2040/01/31	91.93	-0.07	91.86	9.00
R214	9.88	9.86	9.77	9.27	9.32	2041/02/28	69.72	2.67	72.39	6.50
R2044	9.92	9.90	9.81	9.36	9.82	2044/01/31	89.08	-0.07	89.00	8.75
R2048	9.90	9.88	9.79	9.26	9.84	2048/02/28	88.94	3.60	92.53	8.75

A normal yield curve

Yield to maturity versus maturity date – our curve is currently “normal” (upward sloping from left to right) reflecting that a higher interest rate is demanded for supplying capital for longer. Also reflective of a positive growing economy.



Yield movements

Government bond yields: Jan 2016 - Jan 2019



Yield movements

The R186 Bond YIELD to MATURITY over one year



Yield movements

The R186 Bond PRICE over one year



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