2020/21

DEBT MANAGEMENT REPORT

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REPUBLIC OF SOUTH AFRICA

2030 NDP

2020/21

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1. FOREWORD

Director-General
Dondo Mogajane
National Treasury

The 2020/21 financial year came to an end in a volatile environment where global investors feared the rise in United States (US) yields underpinned by inflation expectations driven by a pickup in global growth rates and unprecedented central bank stimulus. The Federal Reserve's apparent lack of concern about inflation fuelled fears that the US's interest rates might start to rise faster and earlier than expected.

The global financial system was on the path to recovery, starting the year on a positive note following the inauguration of President Joe Biden. Financial markets looked forward to a more stable trading environment, a rebound in commodity prices and a global economic upturn from the impact of the COVID-19 pandemic.

On the local front, the country saw a fall in gross domestic product (GDP) of 6.9 per cent in 2020 with consensus forecasts of a pick-up to 4.2 per cent in 2021. The first quarter of the year saw a decline of 3.3 per cent in real GDP while unemployment rose to its highest recorded level of 33 per cent as the effects of the pandemic continued to severely damage the fragile economy. Consumer price inflation fell to 3.1 per cent from 3.2 per cent in the fourth quarter of 2020. As a result, the Monetary Policy Committee (MPC) decided to keep the repurchase rate unchanged at 3.5 per cent.

Rating agencies remained concerned about the state of South Africa's finances which had been fragile before the pandemic. In March 2021, Moody's maintained its local and foreign currency rating at Ba2 with a negative outlook. The key concerns were uncertainty about wage negotiations, elevated debt levels, state-owned companies (SOCs) and the strain they place on the fiscus, rising unemployment and the slow pace of implementing reforms.

1. FOREWORD | continued

The optimism with which the 2021 calendar year started soon fizzled out and gave way to concerns which triggered a sell-off in emerging market assets. Concerns about the slow pace of vaccination worldwide raised fears that widespread lock-downs would return and put a damper on global growth. The emergence of a new South African strain of the virus unnerved local investors while making foreign investors reluctant to hold long maturity paper. Foreign holders of domestic debt fell from 30.2 per cent to 29.3 per cent at the end of the fiscal year. Domestic government bond yields weakened by an average of 64 basis points between the beginning of January and the end of March 2021.

Despite these challenges, government was able to meet its gross borrowing requirement of R670 billion with a net issuance of R50.7 billion raised in domestic short-term funding and R518.4 billion in domestic long-term loans. Government adjusted its domestic bond issuance strategy by issuing short to mid-long bond maturities in order to reduce the debt portfolio cost, average maturity and duration. An amount of US$5.6 billion was raised from multilateral development banks rather than issuing in the international markets where conditions were unfavourable. The weighted term-to-maturity decreased to 12.04 years in March 2021 from 12.70 years in March 2020.

Debt service costs continue to place a great strain on government cash resources, rising at an average of 13.1 per cent per annum at the end of March 2021 and forecast to absorb 20.9 per cent of every rand that the government raises in revenue over the medium-term.

Government is committed to ensuring debt sustainability by managing debt in a manner that minimises the impact on the stock of debt and reduces the cost of borrowing.

Dondo Mogajane
Director-General
Date: 15 December 2021

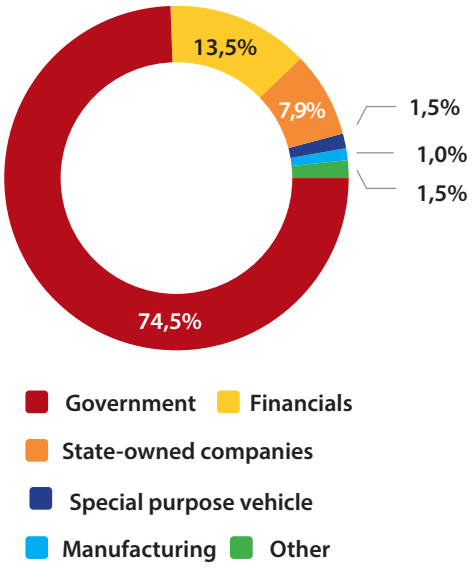
2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

LISTING ACTIVITY IN THE PRIMARY DEBT CAPITAL MARKET

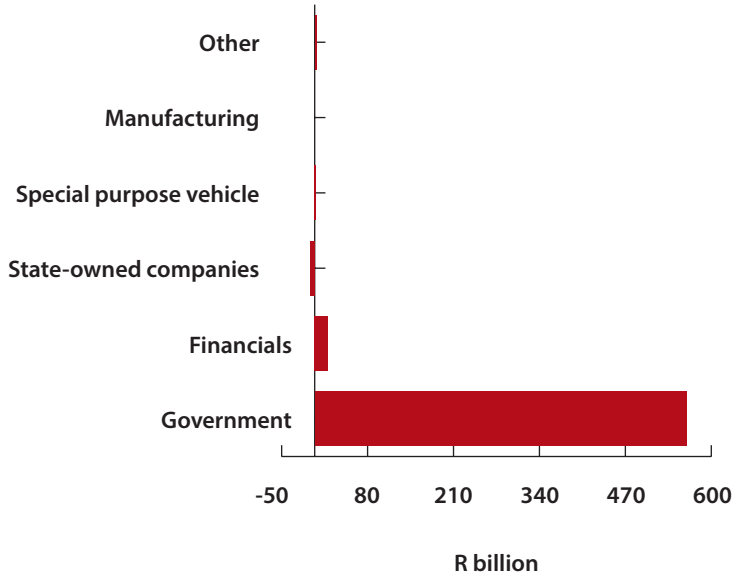
The total nominal amount outstanding for debt instruments listed on the Johannesburg Stock Exchange (JSE) stood at R3.8 trillion as at 31 March 2021, R562.6 billion higher than the 31 March 2020 figure of R3.2 trillion. The domestic debt capital market remains an important source of financing, especially for national government which is the highest contributor to the total outstanding debt listed on the JSE. The COVID-19 pandemic, the deteriorating economy, weakening public finances and lower revenue collection resulted in a R562.6 billion increase in outstanding government debt in 2020/21. This was R261.6 billion higher than the R301 billion increase in 2019/20. SOCs reduced R6.7 billion from their listed debt; in 2019/20 they added R4.7 billion. Driven by the banking sector, financials added R20.3 billion to their listed debt; in 2019/20, they added R35.7 billion.

FIGURE 1: PRIMARY LISTING OF DEBT SECURITIES ON THE JSE, 31 MARCH 2021

Nominal primary listing by sector



Net changes in nominal listing values by instrument



Source: Johannesburg Stock Exchange and National Treasury

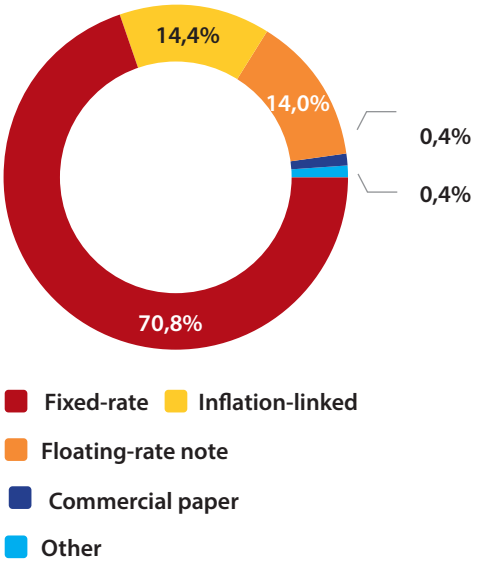
2. THE SOUTH AFRICAN DEBT CAPITAL MARKET | continued

Government's debt contributed about 74.5 per cent of listed debt as at 31 March 2021, 4.5 per cent higher than the 70.0 per cent recorded on 31 March 2020. The next largest sectors were Financials and SOCs, with listings of 13.5 per cent and 7.9 per cent respectively as at 31 March 2021.

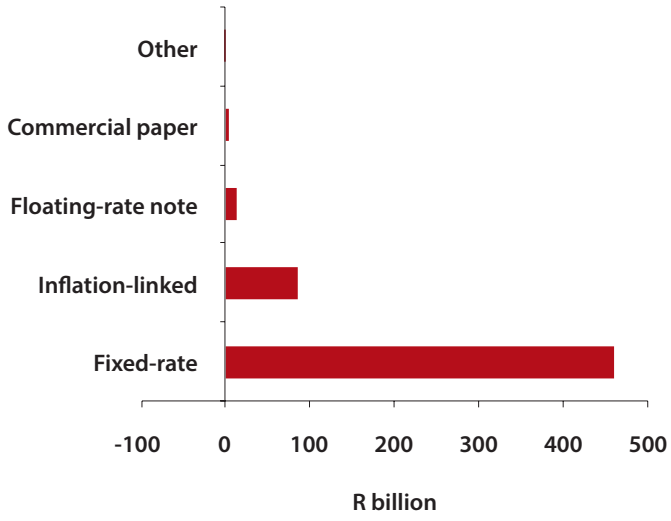
The number of listed instruments has increased steadily over the past three years, with 1 885 recorded on 31 March 2021 compared with 1 734 in 2019 and 1 856 in 2020.

FIGURE 2: COMPOSITION OF PRIMARY LISTINGS BY INSTRUMENT, 31 MARCH 2021

Primary listing by instrument



Net change in listing value by instrument

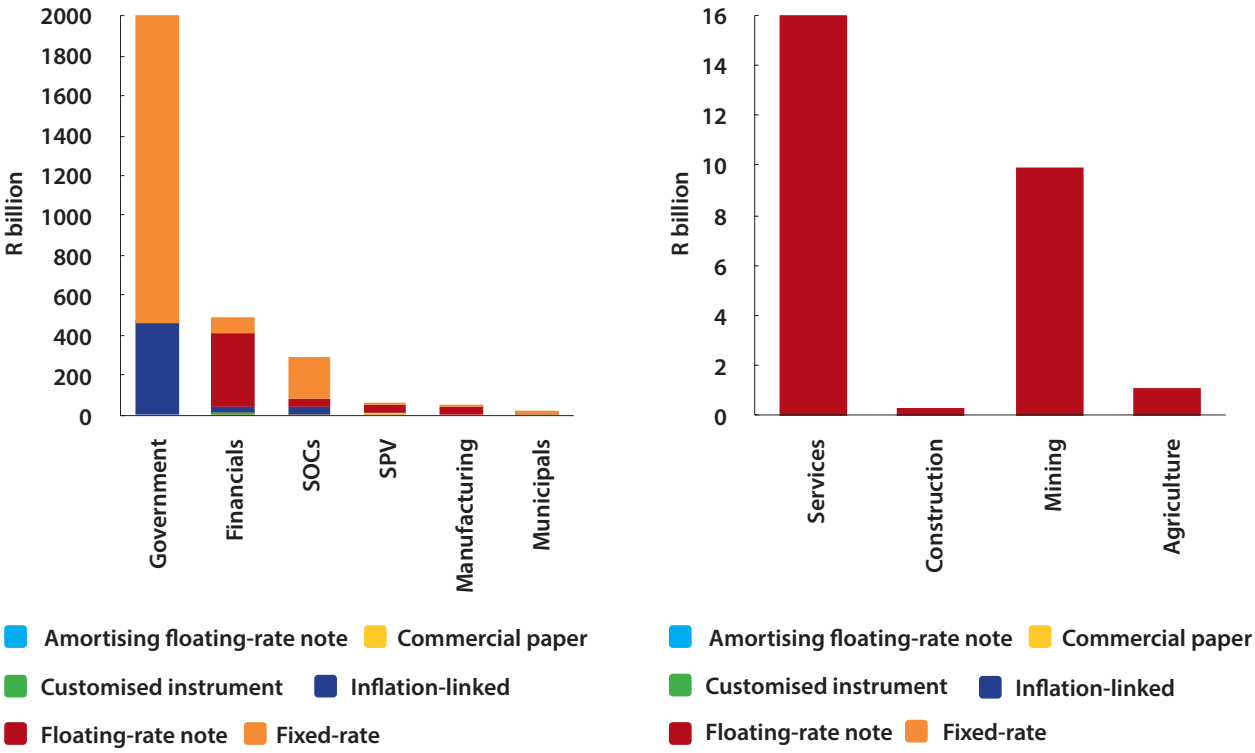


Source: Johannesburg Stock Exchange and National Treasury

By a considerable margin, fixed-rate bonds make up the largest part of total primary listings. This is mainly because government, the largest issuer of listed debt, mostly issues fixed-rate bonds. As at 31 March 2021, fixed-rate instruments accounted for 70.8 per cent of total listed debt, marginally higher than the 68.8 per cent recorded on 31 March 2020. As Figure 2 shows, at 14.4 per cent inflation-linked bonds had moved from making up the third largest to the second largest element of total listed debt as at 31 March 2021. This is because the value of floating-rate notes (FRNs) decreased from 16.1 per cent of the total on 31 March 2020 to 14.0 per cent on 31 March 2021.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET | continued

FIGURE 3: SECTORIAL COMPOSITION OF PRIMARY LISTINGS OF DEBT SECURITIES ON THE JSE, 31 MARCH 2021



Source: Johannesburg Stock Exchange and National Treasury

The preference for FRN issuance outside the government and SOC sectors is apparent from Figure 3. FRNs provide a good source of funding, while investor demand is high as the credit spread uplift in their portfolios is seen as having the potential to generate higher returns during increasing interest rate cycles.

SECONDARY MARKET ACTIVITY IN SOUTH AFRICAN BONDS[1]

As Figure 4 shows, trading volumes in the secondary market decreased from R35.7 trillion as at 31 December 2019 to R31.7 trillion on 31 December 2020, an 11.1 per cent decrease. 2020 was characterised by relatively high volatility in global financial markets due to the COVID-19 pandemic, resulting in decreased trading activity in the secondary market.

[1] Due to the availability of the source data, information provided in this section is as at 31 December 2020 and not 31 March 2021.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET | continued

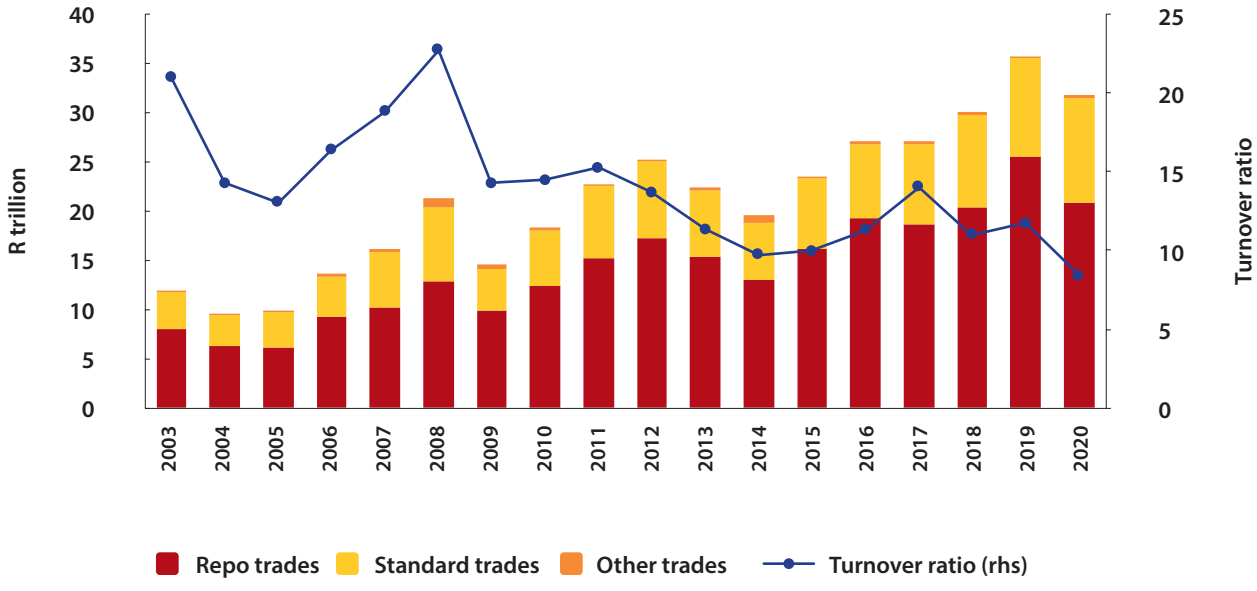
Repurchase (repo) transactions are an efficient source of money market funding, providing investors with a range of options for investing surplus cash and helping to avoid settlement failures. As at 31 December 2020, the repo market made up 65.6 per cent of total trading volumes in the interest rate market, a 5.9 percentage point decrease from the 71.5 per cent on 31 December 2019. Repo trades decreased by R4.7 trillion, other trades increased by R120.5 billion and standard trades increased by R591.0 billion to R10.6 trillion, an increase of 5.9 per cent from 31 December 2019.

Repurchase (repo) market

Repos are classified as money-market instruments, normally used to raise short-term capital. For the party selling the asset (usually fixed-income securities) and agreeing to repurchase it in the future, it is a repo; for the party on the other end of the transaction, buying the security and agreeing to sell in the future, it is a reverse repurchase agreement. If the seller defaults during the life of the repo, the buyer (as the new owner) can sell the asset to a third party to offset the loss. The asset therefore acts as collateral and mitigates the credit risk that the buyer has on the seller.

Source: International Capital Market Association

FIGURE 4: SOUTH AFRICAN BOND MARKET TURNOVER, 2003-2020



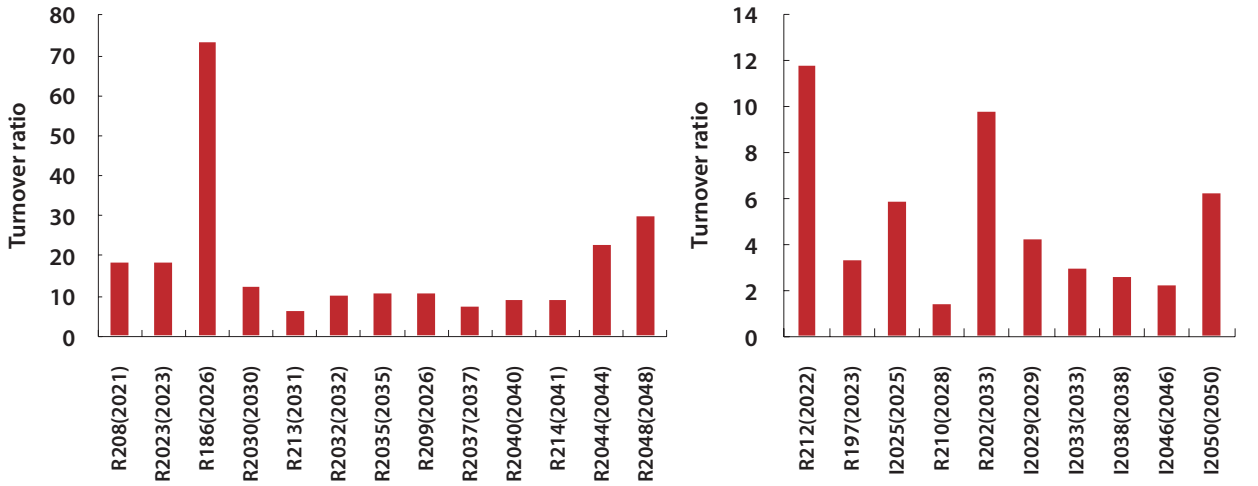
Source: Johannesburg Stock Exchange and National Treasury

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET | continued

The turnover ratio is a measure of a bond's market liquidity and is used to assess which bonds are most liquid or most traded. The ratio shows the extent of trading in the secondary market relative to the total amount outstanding. The larger the amount of trading activity, the higher the turnover ratio.

With a total of R31.7 trillion traded in the secondary market, government bonds made up 98.1 per cent of trading volumes in 2020. As Figure 5 shows, the R186 (10.50%; 2025/26/27) bond had the highest turnover ratio of 73 times followed by the R2048 (8.75%; 2047/48/49) bond with a turnover ratio of 30 times. The R186 bond, with a total issuance of R340.8 billion as at 31 December 2020, is the most liquid bond in the government bond portfolio having traded R8.3 trillion on the exchange. R2.9 trillion was traded in the R2048 bond; the total issuance of this bond was R98.8 billion.

FIGURE 5: GOVERNMENT BOND TURNOVER RATIOS, 31 DECEMBER 2020



Source: Johannesburg Stock Exchange and National Treasury

The shorter maturity bonds, namely the R208 (6.75%; 2021) and R2023 (7.75%; 2023), have relatively higher turnover ratios as a result of the fact that they have lower amounts outstanding than longer maturity fixed-rate bonds. A contributing factor is that these bonds are nearing maturity and have been source bonds in government's switch auction programme. Among the inflation-linked bonds, the R212 (2.75%;2022) bond had the highest turnover ratio of 12 times during 2020. Overall, inflation-linked bonds have a lower turnover than fixed-rate bonds because investors, particularly pension funds, tend to buy and hold these instruments to hedge against inflation.

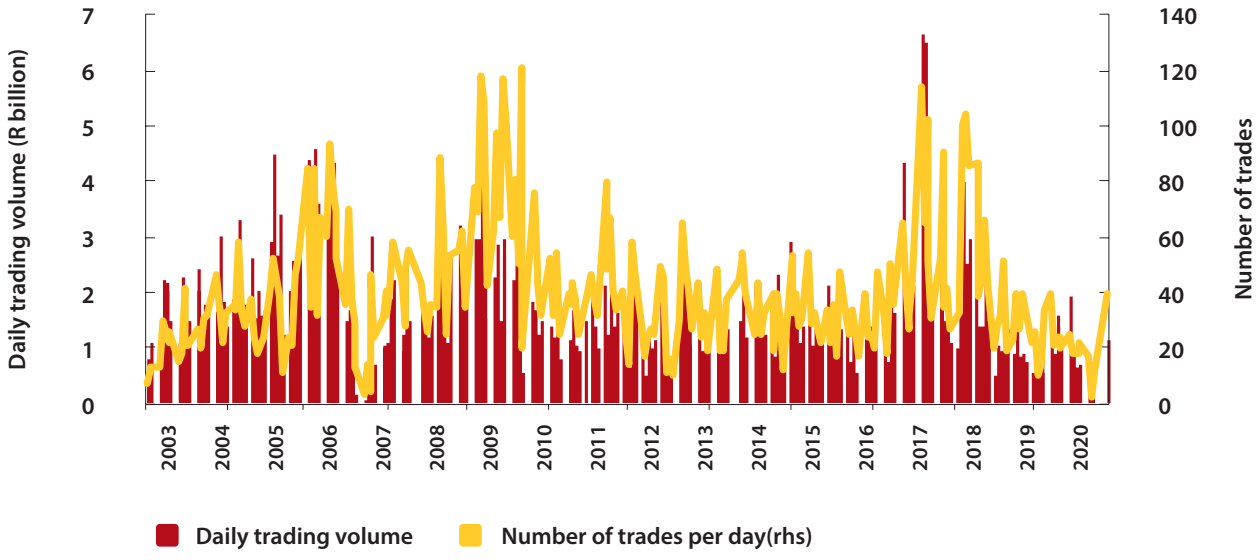
2. THE SOUTH AFRICAN DEBT CAPITAL MARKET | continued

ELECTRONIC TRADING PLATFORM

National Treasury, together with a multi-stakeholder group consisting of the JSE, Share Trading Transactions Totally Electronic (STRATE), primary dealers, the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA), with technical assistance from the World Bank, launched the electronic trading platform (ETP) for government bonds in July 2018. The aim of the ETP is to improve liquidity, price discovery and transparency in the domestic government bond market.

All nine primary dealers are required to quote prices on the following obligatory bonds: the R186 (10.25%; 2025/26/27), R2030 (8.00%; 2030), R2035 (8.875%; 2035), R2040 (9.00%; 2040) and R2048 (8.75%; 2047/48/49). They are also obliged to quote firm and executable current bid and ask prices/yields on the platform in specified amounts per maturity basket and specified spreads. National Treasury incentivises primary dealer participation in the ETP by allocating a portion of the non-competitive bids based on the volumes traded by each primary dealer on the platform.

FIGURE 6: ELECTRONIC TRADING PLATFORM DAILY VOLUMES AND TRADES, JANUARY 2020 - DECEMBER 2020



Source: MTS

In both 2019 and 2020, the average daily volume traded was R1.7 billion. Although the average daily volume remained the same, the average number of trades per day decreased to 40 in 2020 from an average of 52 in 2019. As expected, there were fewer trades in December 2020 because of the festive holidays.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

BORROWING REQUIREMENT

The 2020/21 fiscal year coincided with the global spread of COVID-19, with government's fiscal position weakening due to lower revenue and higher spending to finance essential health and economic measures to contain and mitigate the effects of the pandemic.

Consequently, government's gross borrowing requirement - the budget deficit including maturing loans - increased significantly, from R432.7 billion initially budgeted in February 2019 to a preliminary outcome of R619.5 billion. To finance the higher gross borrowing requirement, government adjusted its financing strategy to lower the impact on debt and debt-service costs. This included drawing down on surplus cash balances, borrowing from international finance institutions at lower interest rates and increasing Treasury bill issuances to reduce the impact on the domestic bond market.

Table 1 shows the preliminary outcome of financing national government's gross borrowing requirement. This was financed through net issuance of domestic short-term loans of R95.3 billion, domestic long-term loans of R523.4 billion and foreign loans of R91.9 billion. Cash and other balances increased by R91.1 billion during the year.

TABLE 1: FINANCING OF NATIONAL GOVERNMENT GROSS BORROWING REQUIREMENT, 2020/21

R MILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Main budget balance	-367 999	-603 388	-551 858
Redemptions	-64 699	-66 881	-67 639
Domestic long-term loans	-52 465	-52 465	-53 223
Foreign loans	-12 234	-14 416	-14 416
Borrowing requirement (gross)	-432 698	-670 269	-619 497
Financing			
Domestic short-term loans	48 000	97 184	95 325
Treasury bills (net)	48 000	124 539	122 610
Corporation for Public Deposits	–	-27 355	-27 285
Domestic long-term loans	337 700	518 457	523 418
Market loans	337 700	518 500	523 376
Loans issued for switches	–	-43	42
Foreign loans	29 260	107 070	91 920
Market loans	29 260	107 070	91 920
Loans issued for switches	–	–	–
Change in cash and other balances[1]	17 738	-52 442	-91 166
Total financing	432 698	670 269	619 497

[1] A positive value indicates that cash is used to finance part of the borrowing requirement
Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

DOMESTIC SHORT-TERM BORROWING

To finance the higher borrowing requirement and to compensate for revenue shortfall, in 2020/21 government issued an additional R74.6 billion in Treasury bills above the 2020 Budget projection of R48 billion.

In 2020/21, National Treasury borrowed an average of R47.7 billion from the Corporation for Public Deposits (CPD) to address the short-term liquidity pressures. However, as shown in Table 2, government closed the financial year with a borrowing from the CPD of R70 million.

Government conducts weekly Treasury bill auctions. The net changes in maturities of the Treasury bills show that issuance was concentrated in the longer-maturity bills. This assisted with managing refinancing risk as it extended the days-to-maturity for the Treasury bill portfolio. Details of the 2020/21 weekly Treasury bill auctions, including the allocated amount for each maturity, can be found in Annexures D and E.

TABLE 2: DOMESTIC SHORT-TERM BORROWING, 2020/21

R MILLION	OPENING BALANCE	NET CHANGE	CLOSING BALANCE
Corporation for Public Deposits	27 355	-27 285	70
Treasury Bills	333 361	122 610	455 971
91-day	10 602	4 733	15 335
182-day	57 368	13 613	70 981
273-day	109 293	44 853	154 146
364-day	156 098	59 411	215 509
Total	360 716	95 325	456 041

Source: National Treasury

Treasury bill auction performance

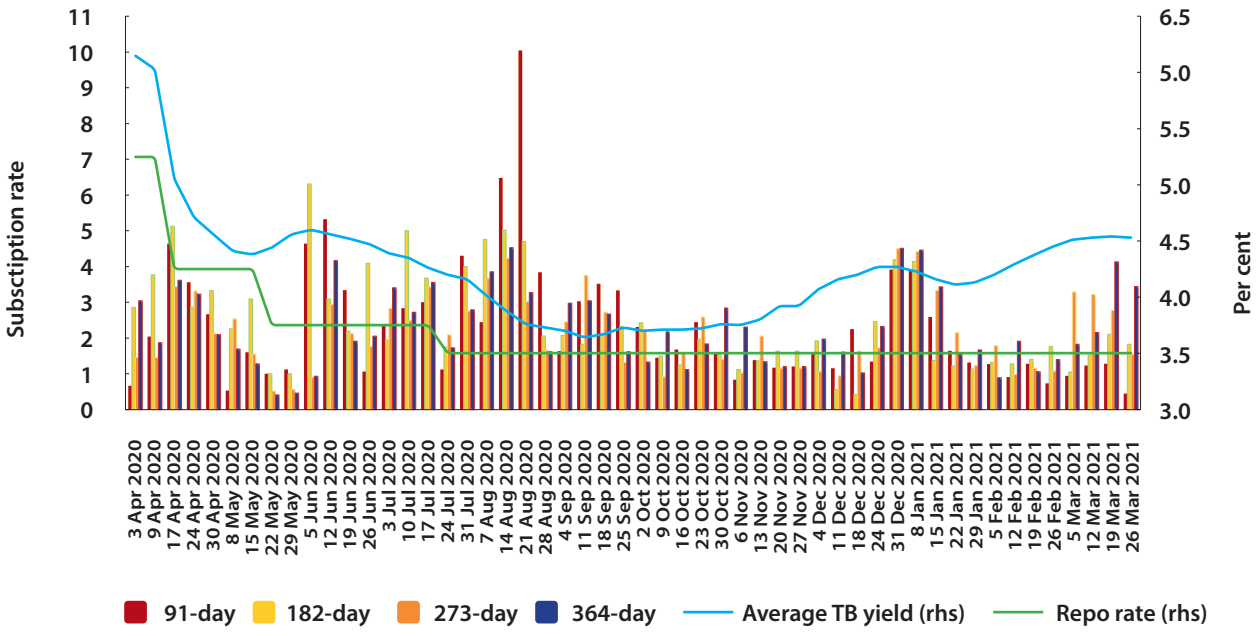
Gross issuance of Treasury bills amounted to R644.4 billion in 2020/21. The Treasury bill weekly issuance levels were adjusted to deal with the effects of the COVID-19 pandemic, relieve pressure from domestic long-term funding instruments and address government's short-term liquidity needs. Historically, Treasury bills served a greater role as liquidity management instruments; due to higher budget deficits, they have gradually become funding instruments to relieve pressure from long-term loans.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

Treasury bill issuance increased by a net amount of R98 billion to R146 billion at the time of the supplementary budget; the net increase for 2020/21 was R122.6 billion. Movement in Treasury bill rates are to a great extent reflective of the policy stance on short-term interest rates/repo rate. Between April and August 2020, the SARB adjusted the repo rate downward by 175 basis points. The average Treasury bill rate declined by 203 basis points in the same period.

Although the repo rate has been unchanged since September 2020, as Figure 7 shows there was a clear upward trend in the average Treasury bill rate (37 basis points) because of increased supply at the weekly auctions.

FIGURE 7: REPO, TREASURY BILL AND SUBSCRIPTION RATES, 2020/21



Source: National Treasury

Due to market volatility, R23.4 billion or approximately 3.6 per cent of the total gross issuance was not allotted. This is shown in Table 3.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

TABLE 3: TREASURY BILL AUCTION UNDER-ALLOTMENTS, 2020/21

R MILLION	GROSS ISSUANCE[1]	UNDER-ALLOTMENT	PERCENTAGE OF GROSS ISSUANCE UNDERALLOTED
91-day	70 541	-2 359	-3,3
182-day	153 328	-6 507	-4,2
273-day	201 520	-6 550	-3,3
364-day	219 054	-7 977	-3,6
Total	644 443	-23 393	-3,6

[1] Gross issuance takes into account the total amount of issuance rolled-over to the Treasury bill portfolio from 2019/20
Source: National Treasury

Table 4 gives a summary of the auction bid-to-cover ratios and effective yields. Government can increase or reduce the amount on offer in line with its funding requirements and market conditions. On average, Treasury bill auctions were 2.2 times over-subscribed, with market appetite reasonable across the Treasury bill curve. All Treasury bill maturities were under-subscribed in a number of weekly auctions; the 182-day maturity had the lowest subscription of 0.3 times in a single auction during the financial year.

TABLE 4: TREASURY BILL AUCTION ANALYSIS, 2020/21

	91-DAY	182-DAY	273-DAY	364-DAY
Bid-to-cover-ratios (times)				
Highest	10,0	6,3	4,2	4,5
Lowest	0,4	0,3	0,5	0,4
Average	2,2	2,1	2,1	2,2
Effective yields (%)				
Highest	5,9	6,3	6,2	6,3
Lowest	3,4	3,6	3,7	3,7
Average	3,7	4,2	4,4	4,4

Source: National Treasury

Corporation for Public Deposits

The CPD is a wholly-owned subsidiary of the SARB. Its main function is to invest surplus cash received from provincial governments and SOCs. Provincial governments and selected SOCs are required to invest their surplus cash with the CPD. Government uses these funds to finance a portion of its borrowing requirement and for bridging finance. To finance short-term cash shortfalls, provincial governments may borrow from the CPD for amounts up to pre-determined limits.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

In 2020/21, the average daily balance invested in the CPD was R81.0 billion. Government borrowed a daily average of R47.7 billion or R4.9 billion more than the daily average of R42.8 billion borrowed in 2019/20.

DOMESTIC LONG-TERM BORROWING

Domestic long-term borrowing consists of the issuance of fixed-rate, inflation-linked and retail savings bonds. Fixed-rate and inflation-linked bond auctions are conducted weekly in line with a pre-determined auction calendar. The fixed-rate bond auctions are conducted through a panel of primary dealers. Inflation-linked bond auctions are open to all members of the JSE. Retail savings bonds are available to South African citizens through the South African Post Office (SAPO) and the RSA Retail Savings Bond website. In 2020/21, a total nominal amount of R560.8 billion was issued in domestic long-term bonds.

Fixed-rate bonds

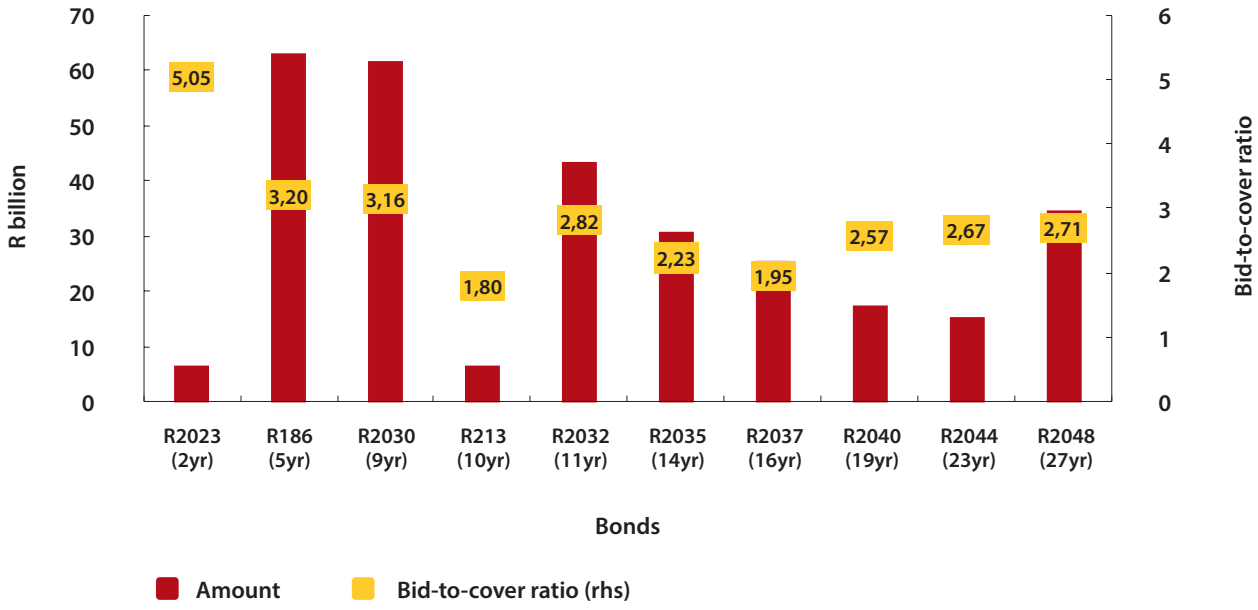
During the 2020/21 financial year, a total nominal amount of R480.8 billion was issued in fixed-rate bonds. Of this amount, R305.4 billion was issued in the 49 weekly competitive bond auctions while the remaining R175.4 was raised through non-competitive auctions. To cover the expected budget deficit resulting from the COVID-19 pandemic, the weekly bond auctions were increased by R1.57 billion and R500 million in May and July 2020 respectively. This brought the weekly fixed-rate bond auction levels to R6.6 billion for the remainder of the 2020/21 financial year. The non-competitive auctions were increased from 50 per cent to 100 per cent of the weekly fixed-rate bond auctions.

Due to the volatility caused by the pandemic, the issuance was mostly concentrated at the short-end of the curve; with 69.4 per cent of the issuance between the 2-year and 14-year maturities. Due to the low cash prices on the R209 (6.25%; 2036) and R214 (6.5%; 2041), these bonds were not issued in 2020/21. Due to its scarcity in the secondary market, the R213 (7.00; 2031) was repriced by investors; as a result, the bond was issued only twice during the year.

The R186 (10.50%; 2025/26/27) bond was the highest issued bond for the year followed by the R2030 (8.00%; 2030), with R63.1 billion and R61.8 billion respectively. National Treasury had decided to stop issuing the R2023 (7.75%; 2023) bond as it was maturing in 2023; this was therefore the least issued bond. The average bid-to-cover ratio for 2020/21 was 2.82 times.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

FIGURE 8: ISSUANCE OF FIXED-RATE BONDS (EXCLUDING NON-COMPETITIVE BID AUCTIONS), 2020/21



Source: National Treasury

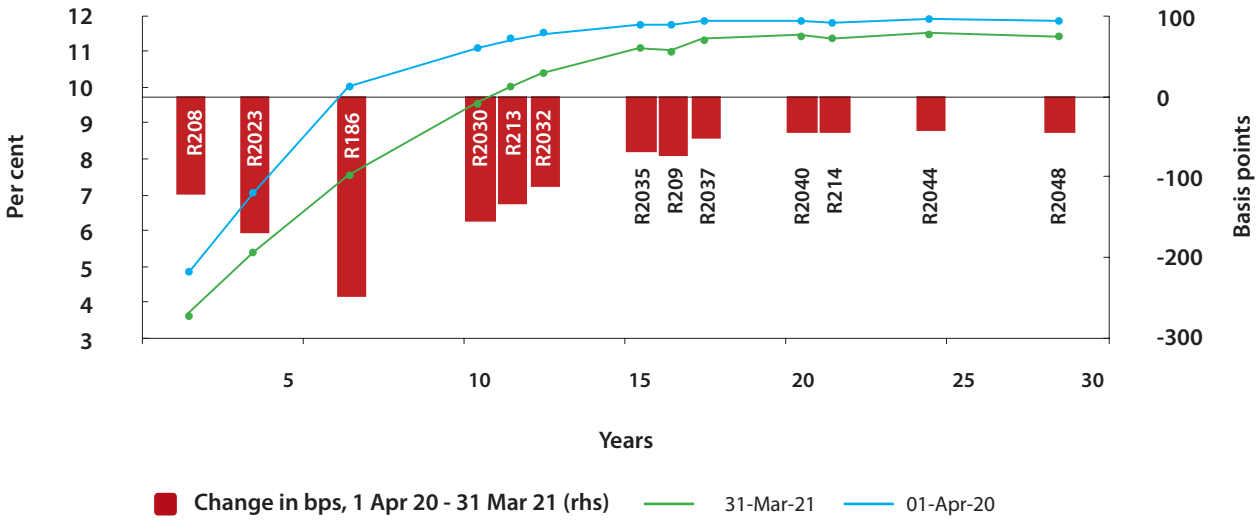
Yields curve movement

At the beginning of 2020/21, there was considerable volatility in the markets because of the COVID-19 pandemic. South Africa's situation was exacerbated by negative sovereign ratings from the credit rating agencies. As a result, investor appetite for rand denominated equities and bonds was weaker than in prior years.

Following the US election results and developments in the manufacturing of COVID-19 vaccines, bond yields began to recover. On average across all fixed rate bonds, the curve strengthened by 102 basis points from April 2020 to March 2021.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

FIGURE 9: YIELD CURVE MOVEMENT OF FIXED-RATE BONDS, 2020/21



Source: Johannesburg Stock Exchange and National Treasury

Primary dealers

The primary dealer panel is a panel of banks that buy government bonds at weekly fixed-rate bond auctions. Investors buy government bonds by submitting their bids at the auction through primary dealers. These dealers are obliged to adhere to certain terms and conditions which can be found on National Treasury's Investor Relations website www.investor.treasury.gov.za. Below are the banks that are on National Treasury's primary dealer panel:

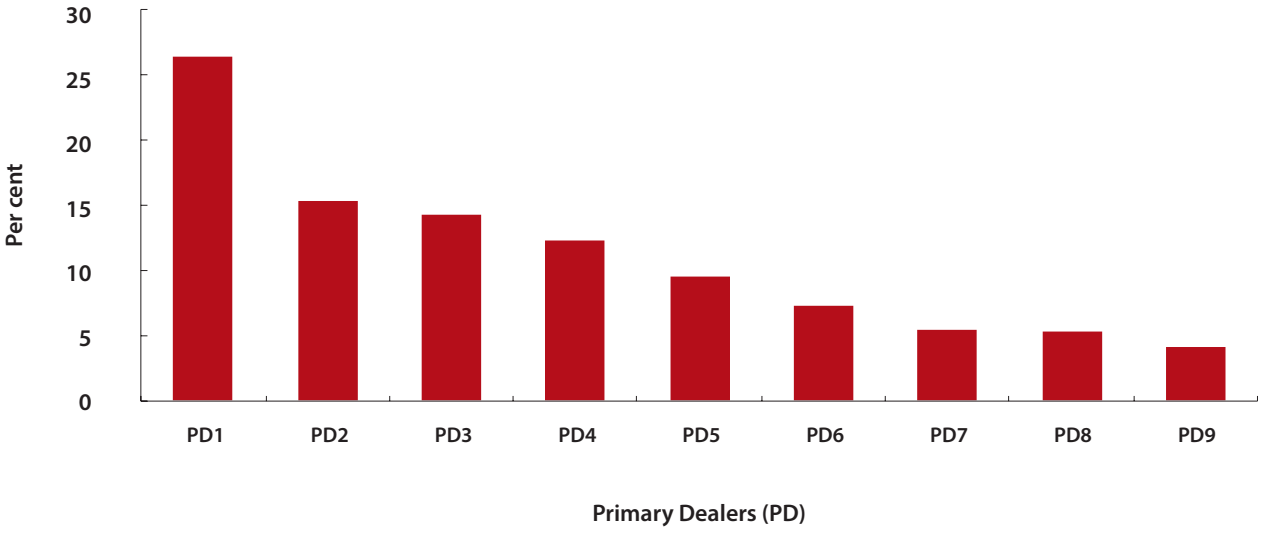
- ABSA Group Limited
- Citibank
- Deutsche Bank
- FirstRand Bank Limited
- HSBC Bank
- Investec Bank Limited
- JPMorgan Chase Bank
- Nedbank Limited
- Standard Bank

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

Primary dealer performance

Government's primary dealer panel is made up of nine international and domestic banks. These primary dealers are required to distribute government bonds, make markets and provide liquidity in the secondary market. The performance of the nine primary dealers is shown in Figure 10. The top two primary dealers took up 41.7 per cent of the amount in the auctions conducted during the year.

FIGURE 10: PRIMARY DEALER PARTICIPATION IN FIXED-RATE BOND AUCTIONS, 2020/21



Source: National Treasury

Non-competitive bid auction performance

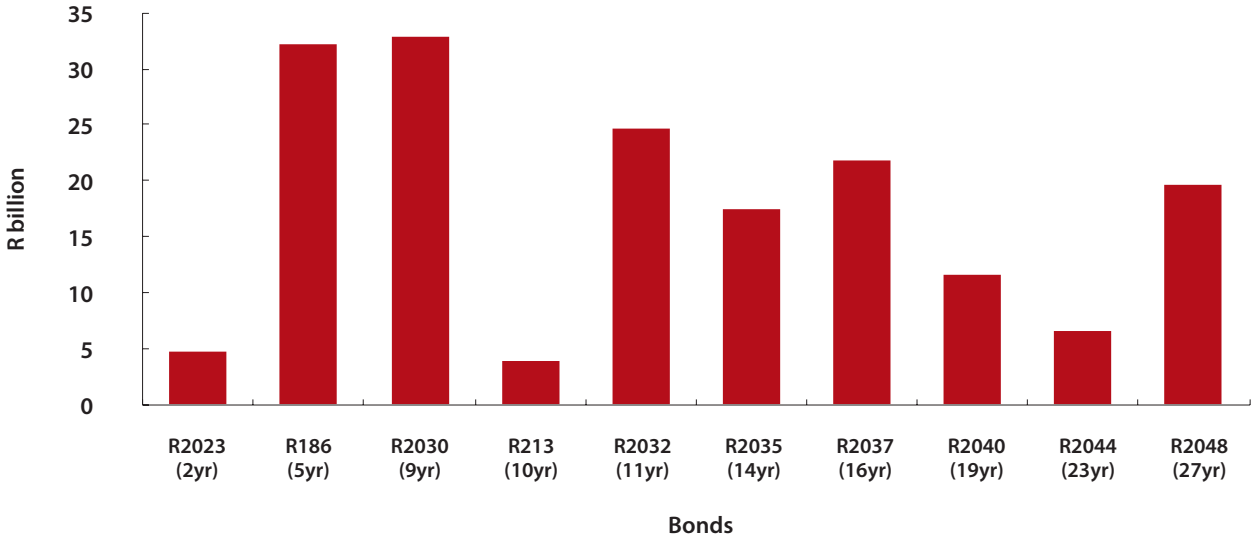
Non-competitive bid auctions

Primary dealers are entitled to take-up an additional 50 per cent of the successful allocation amount at the same yield at which the fixed-rate competitive auction settled. The non-competitive auction window is open for 48 hours immediately after the auction. The 50 per cent is split between ETP and primary auctions, at 30 percentage points and 20 percentage points respectively. To cover the expected budget deficit, the non-competitive bid auction allocations were increased from 50 per cent to 100 per cent from April 2020 to March 2021.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

A total amount of R175.4 billion was raised through the issuance of the fixed-rate bond non-competitive auctions. The R2030 (8.00%; 2030) and R186 (10.50%; 2025/26/27) bonds were the most demanded bonds in the 2020/21 year, accounting for 37.2 per cent of the total non-competitive take-up by the primary dealers. The bond with the third greatest demand was the R2032 (8.25%; 2032), with a take-up of 14.0 per cent. Due to limited issuance in the R2023 (7.75%2023) and R213 (7.00%;2031) in the fixed-rate bond auctions, these two bonds had the lowest non-competitive take-up.

FIGURE 11: NON-COMPETITIVE BOND AUCTION PERFORMANCE PER BOND, 2020/21



Source: National Treasury

Inflation-linked bonds

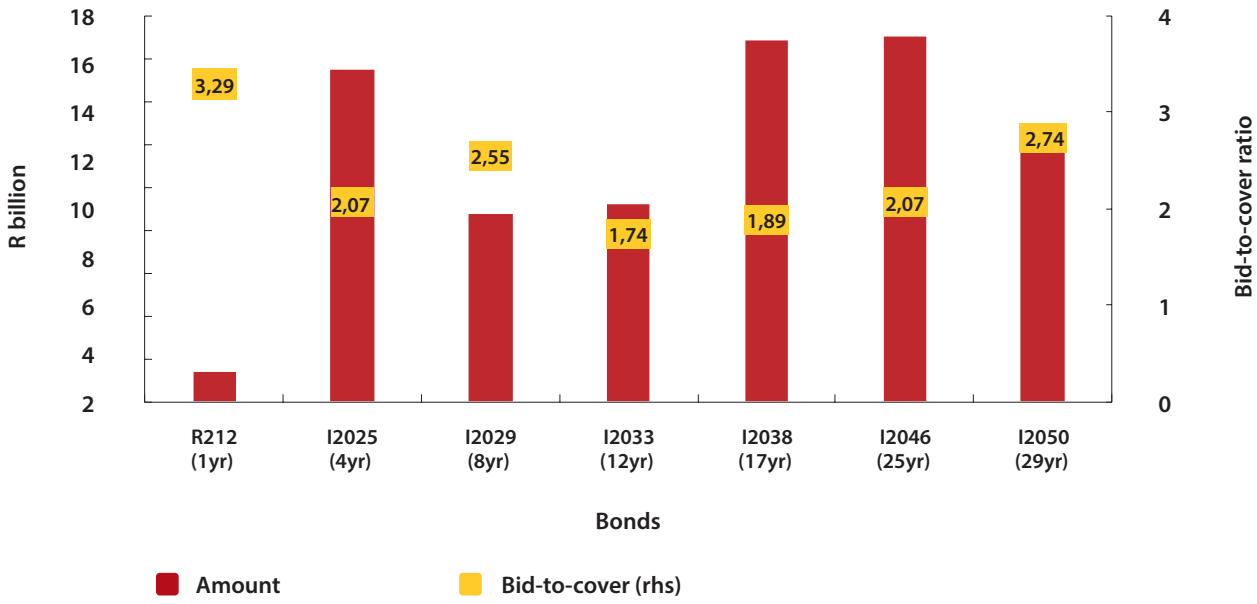
A total nominal amount of R80.0 billion was issued in the 48 inflation-linked bond auctions conducted during 2020/21, with an average bid-to-cover ratio of 2.3. The inflation-linked bond auction levels were increased by R360 million and R600 million in May and July respectively. With a total nominal amount of R17.0 billion, the I2046 (2.50%; 2046) bond was the most issued bond followed by the I2038 (2.25%; 2038) with a total issuance of R16.8 billion.

To mitigate cash pressures at the beginning of the financial year, the R212 (2.75%; 2022) bond was issued twice in April 2020 due to the comparatively high price of the bond. It was only issued twice due to the refinancing risk and the fact that the bond is maturing in 2022. The R212 bond, with a total nominal amount of R1.4 billion, was the least issued bond.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

At 3.29, the R212 bond had the highest bid-to-cover ratio followed by the I2050 (2.50%; 2050) at 2.74. The I2033 (1.875%; 2033) bond had the lowest, at 1.74.

FIGURE 12: ISSUANCE OF INFLATION-LINKED BONDS, 2020/21



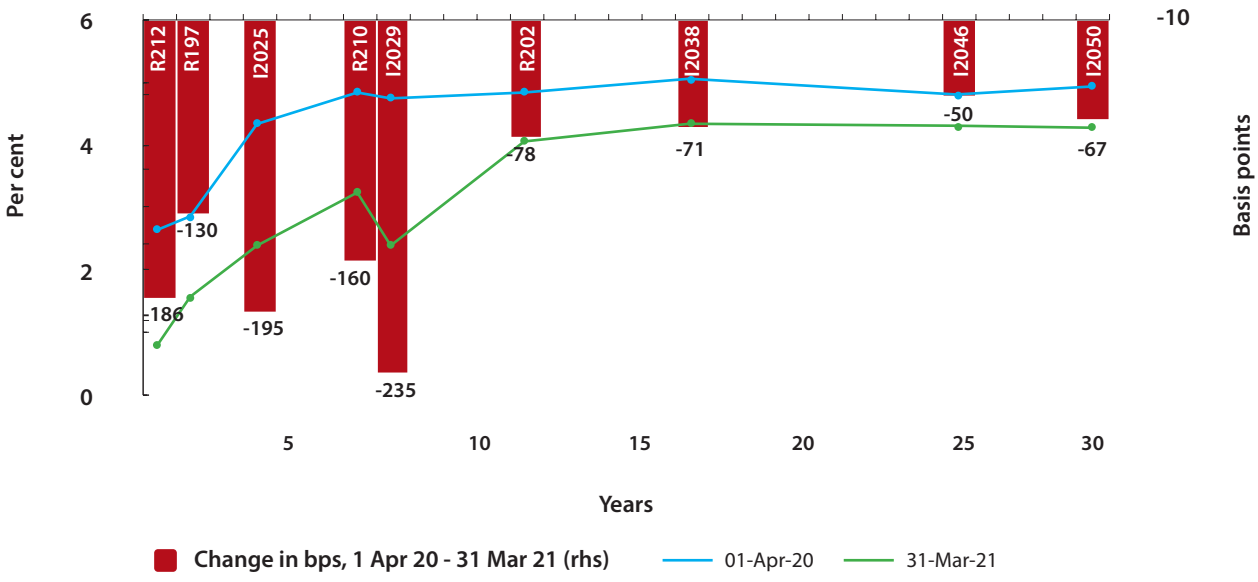
Source: National Treasury

Real yields movement

Similarly to the fixed-rate bond yield curve, the inflation-linked bond curve weakened in the beginning of the year. It strengthened in the later part of the year, moving in tandem with the fixed-rate bonds. Between April 2020 and March 2021, the curve strengthened by an average of 130 basis points.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

FIGURE 13: YIELD CURVE MOVEMENT OF INFLATION-LINKED BONDS, 2020/21



Source: Johannesburg Stock Exchange and National Treasury

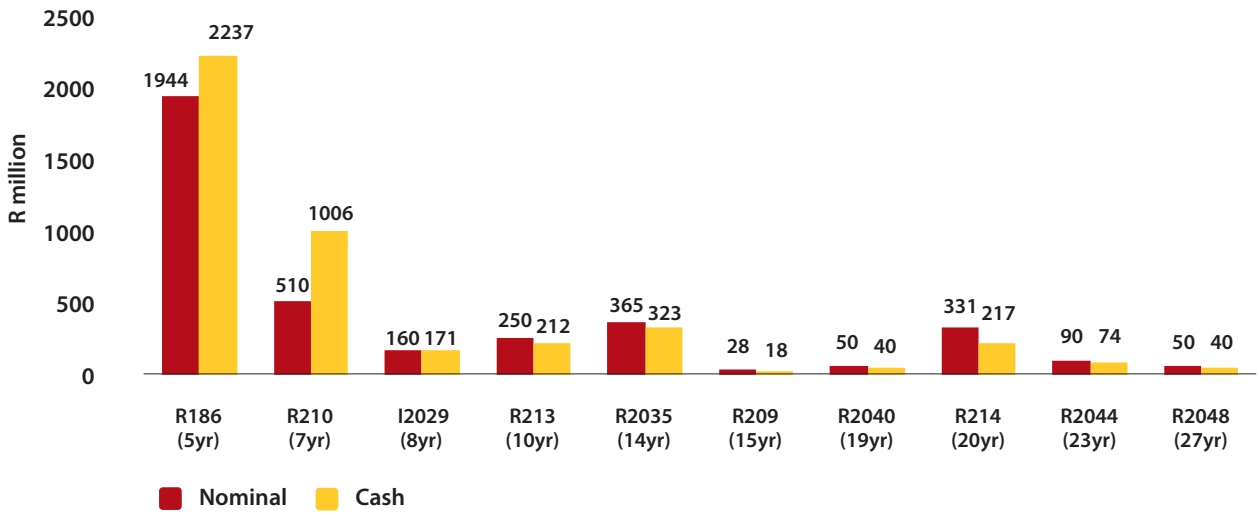
Scrip lending facility

As a lender of last resort, National Treasury is obliged to support the market for government bonds by acting to avoid settlement failures and subsequent systemic risk. The facility is available to the ETP, over-the-counter and interest rate and currency derivative market transactions. The scrip lending facility is available strictly to primary dealers. Other market participants can only access the facility through the JSE. It is used only if other avenues of obtaining the scrip have been exhausted.

There was a slight decrease in demand for the facility during 2020/2021 compared to the previous financial year. A nominal amount of R3.7 billion was taken; this was 17 per cent lower than the R4.5 billion take-up in 2019/20. Figure 14 shows the breakdown of the utilisation of the scrip lending facility per bond. In terms of the nominal value of scrip lending, 51.4 per cent of the demand was for the R186 (10.50%; 2025/26/27) bond followed by the inflation-linked bond R210 with 13.5 per cent of the take-up.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

FIGURE 14: SCRIP LENDING FACILITY, 2020/21



Source: National Treasury

Bond switch auction programme

Government's bond switch auction programme has been successful in managing government's refinancing risk amid protracted weak economic growth. Since the start of the programme in February 2015, a total of R253.8 billion has been switched out of the R203 (8.25%; 2017), R204 (8.00%; 2018), R207 (7.25%; 2020), R208 (6.75%; 2021) and R2023 (7.75%; 2023) bonds.

The bond switch programme was reviewed and reintroduced in 2020/21. The revised programme aims to provide transparency and reduce speculation around the switch auctions. Part of the revised programme included uploading the switch auction calendar and terms and conditions onto National Treasury's Investor Relations website.

Two switch auctions were conducted in 2020/21, with R6.8 billion switched out of the R2023 bond.

Retail savings bonds

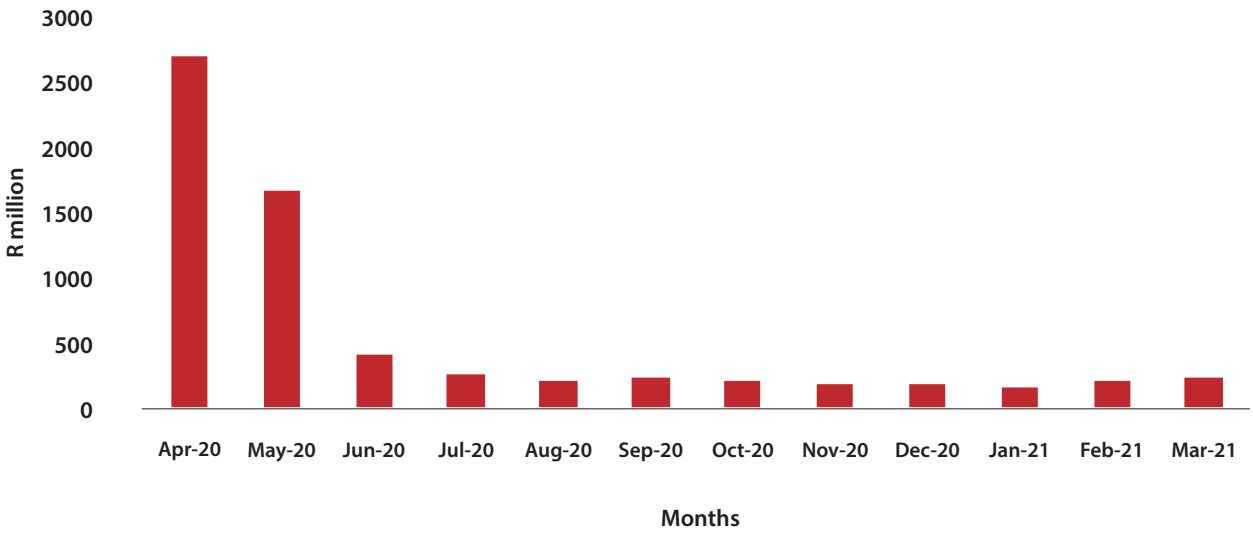
The objective of retail savings bonds is to diversify government's long-term funding sources and promote a household savings culture. The total outstanding amount as at 31 March 2021 was R8.6 billion. As a result of higher interest rates in

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

April and May 2020 and the revised promotions strategy that included digital and social media presence, retail savings bonds managed to exceed the target of R2.5 billion by R2.1 billion as at 31 March 2021.

In addition to the conventional retail savings bonds, R2.1 billion was received in the Government Employees Housing Scheme's Internal Linked Savings Facility (GEHS: ILSF) on 31 March 2021.

FIGURE 15: MONTHLY RETAIL SAVINGS BOND DEPOSITS, INCLUDING RE-INVESTMENTS, 2020/21



Source: National Treasury

Table 5 shows the retail savings bond interest rates for 2020/21. The rates are published on the retail savings bonds website (*www.rsaretailbonds.gov.za*).

TABLE 5: INTEREST RATES ON RETAIL SAVINGS BONDS, 2020/21

DATE	1-YEAR	2-YEAR	3-YEAR	5-YEAR	10-YEAR
Fixed-rate					
30-Apr-20		7,75%	9,00%	11,50%	
31-Mar-21		6,00%	6,75%	8,00%	
Inflation-linked					
30-Apr-20			3,50%	3,75%	3,75%
31-Mar-21			2,50%	3,75%	4,75%
Financial Cooperatives					
30-Apr-20	6,25%	7,75%	9,00%		
31-Mar-21	4,49%	6,00%	6,75%		

Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

Financial co-operative retail savings bonds

National Treasury launched the financial co-operatives retail savings bonds in October 2011 to provide a secure savings instrument that co-operative financial institutions (CFIs) and co-operative banks can invest in. The bonds offer competitive interest rates, calculated bi-annually. Additional features take into account the uniqueness of the CFI model. Through top-ups, the model allows for preservation of capital and early withdrawals with no fees and charges or penalties levied. The CFIs that continue to save in retail savings bonds have accumulated notable interest on their capital amounts. The Co-operatives Bank Development Agency encourages CFIs to invest in this investment vehicle as it is risk-free and provides guaranteed financial growth.

Table 6 shows that, as at 31 March 2021, R13.8 million was invested in financial co-operatives retail savings bonds through 39 investments.

TABLE 6: SUMMARY OF FINANCIAL COOPERATIVES RETAIL SAVINGS BONDS, 2020/21

BOND	AVERAGE RATE	CAPITAL	INVESTMENTS
FC01	4,89%	762 754,42	2
FC02	6,20%	2 084 273,29	15
FC03	7,48%	10 973 301,64	22

Source: National Treasury

Interest rates on fixed-rate, inflation-linked and financial co-operative retail savings bonds are derived from the respective government bond and Treasury bill yields. The interest rates for the fixed-rate and financial co-operatives retail savings bonds are reviewed monthly and those for the inflation-linked retail savings bonds semi-annually. During the year, fixed-rate retail savings bonds rates declined by 175, 225 and 350 basis points for the 2-year, 3-year and 5-year terms respectively. In the case of inflation-linked retail savings bonds, the 2-year term decreased by 100 basis points, there was no net movement for the 3-year and the 5-year increased by 100 basis points.

FOREIGN LONG-TERM BORROWING

Government issues debt in global capital markets to meet its foreign-currency commitments, set benchmarks and diversify funding sources. Due to the unfavourable market conditions resulting from the COVID-19 pandemic, government did not tap the international capital markets in 2020/21. The Supplementary Budget tabled on 24 June 2020 announced that government would source US$7 billion in funding from multilateral development banks and the International Monetary Fund (IMF) to finance the budget deficit resulting from the impact of COVID-19. As at 31 March, approximately $5.6 billion had been made available. Of this, $4.6 billion had been converted to rand to partially

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

fund domestic currency commitments. As table 7 shows, the following amounts were received from the multilateral development banks and the IMF:

- IMF: a US$4.28 billion loan under the IMF's Rapid Response Facility was approved and disbursed in July 2020.
- New Development Bank (NDB): a US$1 billion loan under the NDB's COVID-19 Emergency Program to fund government's health and social response was approved and disbursed in July 2020.
- African Development Bank (AfDB): in July 2020, the AfDB Board approved a R5.08 billion (US$288 million equivalent) loan under the COVID-19 Response Support Programme. The loan disbursement took place in October 2020.

TABLE 7: BORROWING FROM INTERNATIONAL FINANCE INSTITUTIONS

INSTITUTIONS	DISBURSEMENT DATE	INTEREST RATE	TERMS (YEARS)	GRACE PERIOD[1] (YEARS)	AMOUNT BILLIONS
New Development Bank	20 July 2020	6-month LIBOR[2] plus 1.25%	30	5	US$1.0
International Monetary Fund	29 July 2020	1,066%	5	3	US$4.3
African Development Bank	15 October 2020	3-month JIBAR[3] plus 0.8%	20	5	R5.0[4]

1. A period after the disbursement where no capital repayments are required
2. LIBOR (London Interbank Offered Rate)
3. JIBAR (Johannesburg Interbank Average Rate)
4. The US dollar equivalent is US$0.29 billion

Source: National Treasury

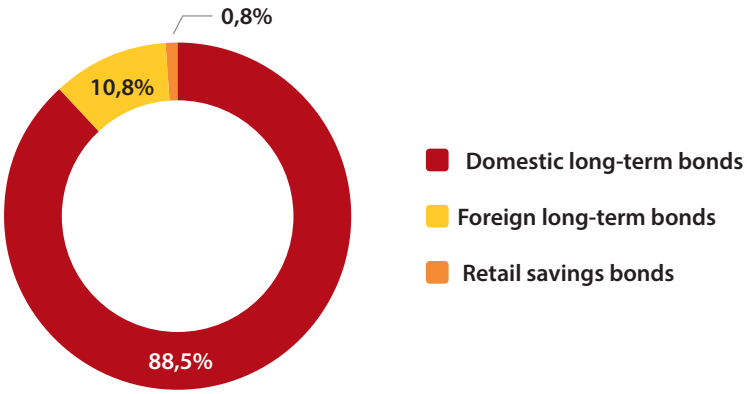
INTEREST AND REDEMPTION PAYMENTS ON LONG-TERM LOANS

Figure 16 shows the composition of government's interest and redemption payments for 2020/21. The payments are split between domestic and foreign long-term loans and retail savings bonds.

Interest payments and redemptions for domestic and foreign debt amounted to R388.0 billion. Interest and redemptions payments amounted to R315.9 billion and R72.1 billion respectively. The R208 fixed-rate bond redeemed in March 2021 with an outstanding amount of R49.0 billion. Monetary authorities followed by the foreign sector had the largest percentage holdings of the bond.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

FIGURE 16: INTEREST AND REDEMPTION PAYMENTS, 2020/21



Source: National Treasury

GOVERNMENT CASH BALANCES

Government's primary objective in managing cash is to ensure that it has enough cash to meet its financial commitments as they come due. As part of effective cash management, government aims to ensure that its financial obligations are met and that weekly borrowings are predictable and stable.

Government's total cash balances include deposits held by commercial banks and the SARB. Cash deposits with the SARB include rand deposits in the sterilisation account and foreign currency deposits in the foreign currency accumulation account.

Sterilisation deposits consist of excess cash deposits made with the SARB to counter the effects of increased money supply as a result of accumulation of foreign currency reserves. These funds were usually used on an intra-month basis for liquidity management. However, because of the increase in gross borrowing requirement a total of R26 billion was utilised from National Treasury's rand deposits in 2020/21. This reduced the balance to R41 billion.

Foreign currency deposits consist of funds borrowed in the international capital markets and/or from multilateral institutions and are used to meet government's foreign currency commitments. A total of US$5.6 billion was received from multilateral institutions in 2020/21. The borrowings were conducted in line with government's strategy to lower the cost of funding. US$4.6 billion (R77.4 billion) of the foreign loan proceeds were converted to rands to cover local currency denominated expenditure. Conversion of the funds was conducted in close collaboration with the SARB to ensure that there was no adverse impact on the money market liquidity operation.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING | continued

Table 8 shows government's cash balances at 31 March 2020 and 31 March 2021. During 2020/21, these balances increased by R69.5 billion to R333.1 billion. The increases were largely due to higher than projected tax collections.

TABLE 8: NATIONAL GOVERNMENT'S CASH BALANCES, 31 MARCH 2020 AND 31 MARCH 2021

R BILLION	MAR-20	MAR-21
Reserve bank	219,1	134,5
Sterilisation deposits	67,2	41,2
Foreign currency deposits	151,9	93,3
Commercial banks	44,5	198,6
Tax and loan accounts	44,5	198,6
Total	263,6	333,1

Source: National Treasury

Table 9 shows total foreign currency commitments of US$7.6 billion in 2020/21.This consisted of redemptions of foreign loans amounting to US$824 million and interest on loans and departmental payments amounting to US$6.7 billion. These commitments were financed by proceeds from the foreign currency loans.

TABLE 9: US DOLLAR FLOWS ON FOREIGN EXCHANGE DEPOSITS, 2020/21

US$ MILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Opening balance	8 727	8 489	8 489
Inflows	5 422	6 704	5 405
Foreign loan	5 000	6 570	5 282
Purchases	-	-	-
Interest	422	134	123
Outflows	-5 660	-7 573	-7 573
Interest on debt portfolio	-1 173	-1 154	-1 160
Loan redemptions	-3 427	-824	-824
Payments by departments	-1 060	-5 595	-5 589
Closing balance	8 489	7 620	6 321

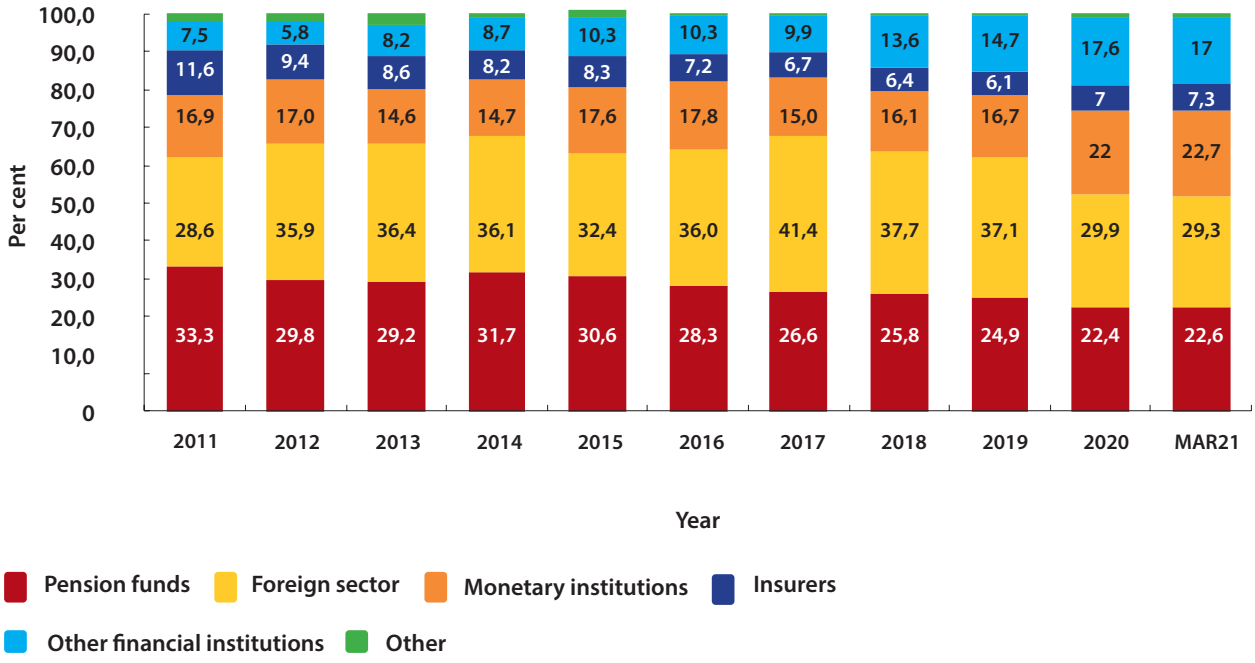
Source: National Treasury

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

HOLDINGS OF DOMESTIC MARKETABLE GOVERNMENT BONDS

South African government bonds are mainly supported by foreign investors, pension funds, monetary institutions and other financial institutions with a combined aggregate holding of about 91.6 per cent of outstanding government bonds. As a result of low interest rates in developed countries, at 29.3 per cent as at 31 March 2021 foreign investors were the largest holders of government bonds followed by monetary institutions and pension funds with 22.7 per cent and 22.6 per cent respectively.

FIGURE 17: HISTORICAL GOVERNMENT BOND HOLDINGS, 31 DECEMBER 2011-31 MARCH 2021



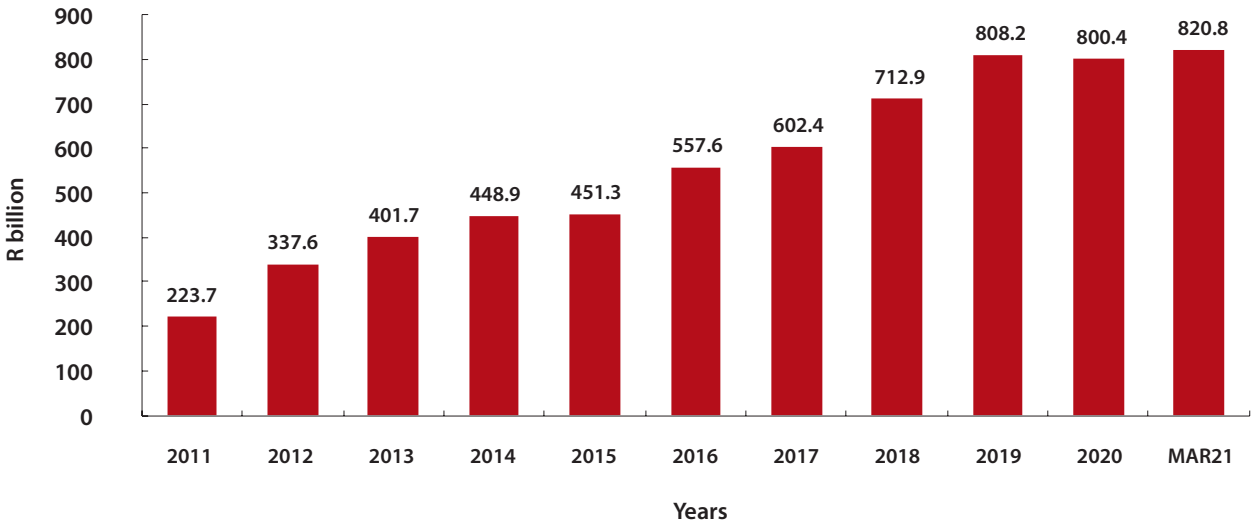
Source: STRATE and National Treasury

Holdings by foreign investors ended the 2020/21 financial year at 29.3 per cent of South African government bonds, after falling to a 9-year low of 29 per cent in October 2020. This decrease in domestic government bond holdings by the foreign sector was offset by an increase by monetary institutions, as Figure 17 shows.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS | continued

Following extensive liquidity stimulus by developed economy central banks, emerging market portfolio inflows rebounded steadily in the latter part of 2020/21 as investors searched for higher yield and risk-on sentiment amid hopes for a fast economic return to normal in 2021. In nominal terms, foreign investor holdings of government bonds increased by R78 billion between March 2020 and March 2021.

FIGURE 18: FOREIGN INVESTOR HOLDINGS OF GOVERNMENT BONDS, 31 DECEMBER 2011-31 MARCH 2021



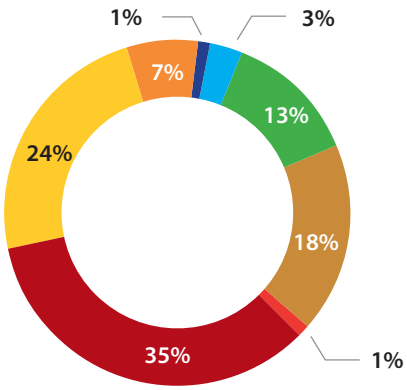
Source: STRATE and National Treasury

Figure 19 shows the holdings of fixed-rate and inflation-linked bonds by investor type as at 31 March 2021. Foreign investors held 34.9 per cent of fixed-rate bonds, a decline from 40.6 per cent in March 2020. Monetary authorities increased their holdings from 19.3 per cent to 23.7 per cent. Official pension funds reduced their holdings of inflation-linked bonds to 46.5 per cent from 50.7 per cent in March 2020. Monetary authorities' inflation-linked bond portfolio holdings changed marginally, from 17.6 per cent of the portfolio in March 2020 to 17.5 per cent as at 31 March 2021. The percentage held by foreign investors remained relatively low at 2.2 per cent, up from 1.8 per cent in the previous year.

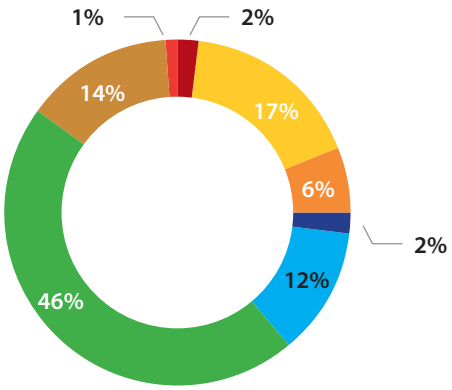
4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS | continued

FIGURE 19: HOLDINGS OF DOMESTIC FIXED-RATE AND INFLATION-LINKED BONDS, 31 MARCH 2021

Fixed-rate bonds holdings



Inflation-linked bonds holdings



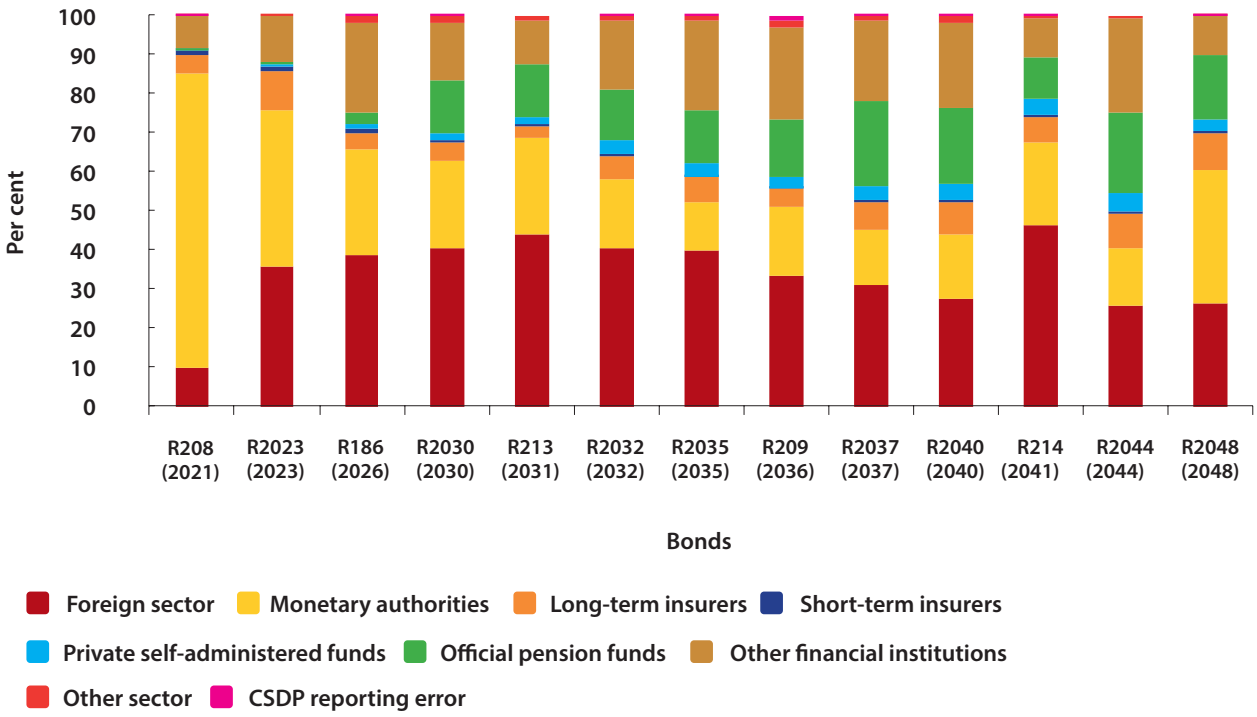
Foreign sector
Monetary authorities
Long-term insurers
Short-term insurers
Private self-administered funds
Official pension funds
Other financial institutions
Other sector

Source: STRATE and National Treasury

Figure 20 shows holdings of domestic fixed-rate bonds by instrument as at 31 March 2021, with the foreign sector holding the largest amount across all maturities. Foreign investors' holdings of the R208 (6.75%; 2021) bond decreased from 37.5 per cent in March 2020 to 9.8 per cent in March 2021 as the bond approached maturity. Given the short maturity of the R208 bond, monetary authorities, for whom the bond formed part of their liquid assets, had become the largest bondholder with 75.3 per cent.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS | continued

FIGURE 20: HOLDINGS OF DOMESTIC FIXED-RATE BONDS BY INSTRUMENT, 31 MARCH 2021

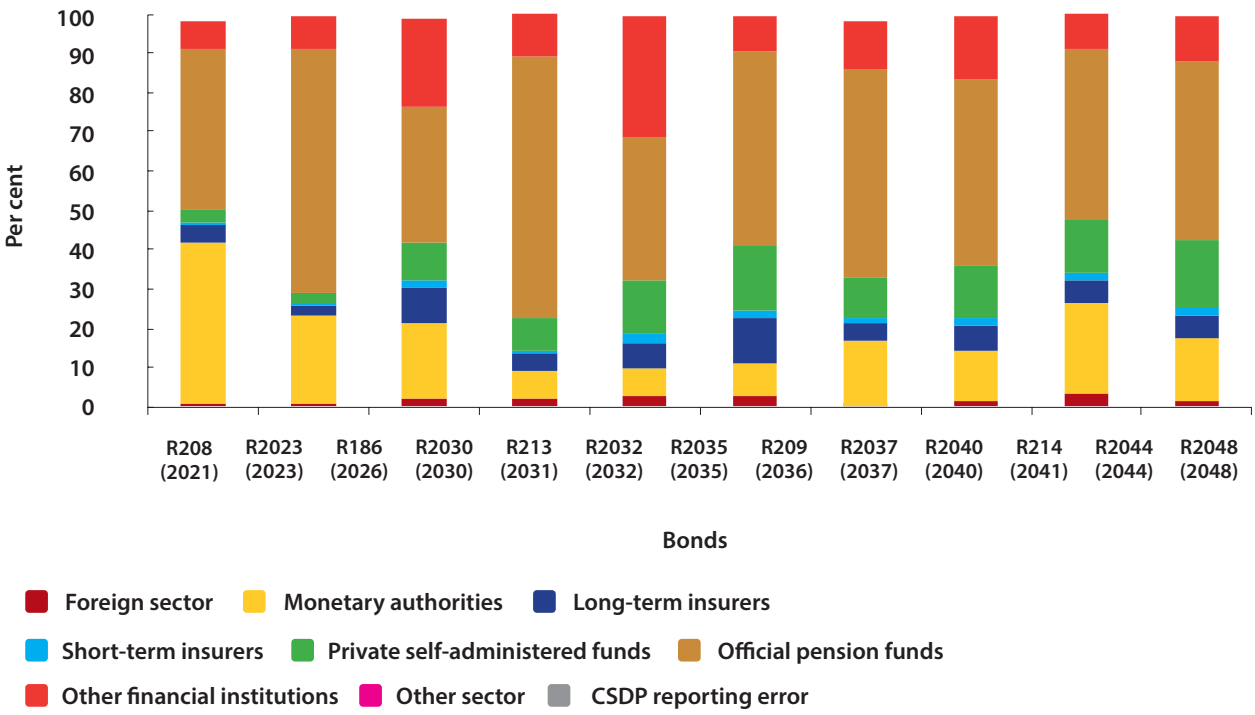


Source: STRATE and National Treasury

As at 31 March 2021, official pension funds held the largest percentages of instruments across all maturities of inflation-linked bonds. Monetary authorities held marked percentages in shorter and longer maturities.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS | continued

FIGURE 21: HOLDINGS OF DOMESTIC INFLATION-LINKED BONDS BY INSTRUMENT, 31 MARCH 2021



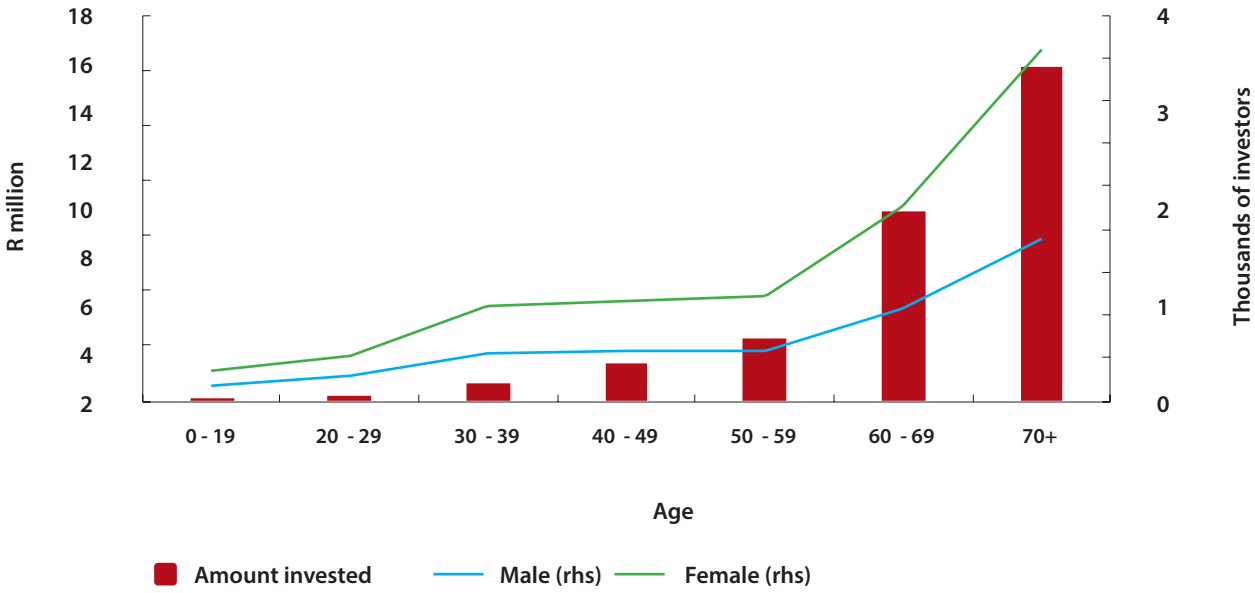
Source: STRATE and National Treasury

HOLDINGS OF RETAIL SAVINGS BONDS

The majority of investors in retail savings bonds are aged 50 years and older and make up over 69 per cent of the number of active investors. This may be attributed to older investors saving for retirement and therefore benefiting from the monthly payments

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS | continued

FIGURE 22: RETAIL INVESTOR DEMOGRAPHICS, 31 MARCH 2021



Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

GOVERNMENT DEBT PORTFOLIO

Government's debt is influenced by the budget balance and by market variables including prevailing interest rates, the exchange rate and the inflation rate. Government debt is presented on a gross and net basis. Table 10 shows that, in 2020/21, net loan debt (debt less cash balances) was R3.6 trillion or 72.4 per cent of GDP. The ratio of net foreign debt to total net loan debt was 8.3 per cent in the same period.

TABLE 10: TOTAL GOVERNMENT DEBT, 2020/21

R BILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Domestic debt			
Gross loan debt	3 227,2	3 529,1	3 543,2
Cash balances	-117,2	-175,5	-239,7
Net loan debt	3 110,0	3 353,6	3 303,5
Foreign debt			
Gross loan debt	334,5	420,6	392,4
Cash balances	-104,5	-116,5	-94,2
Net loan debt	230,0	304,1	298,2
Total gross loan debt	**3 561,7**	**3 949,7**	**3 935,7**
Total net loan debt	**3 340,0**	**3 657,7**	**3 601,8**
As percentage of GDP:			
Total gross loan debt	65,6	80,3	79,1
Total net loan debt	61,5	74,3	72,4
Foreign debt as percentage of:			
Gross loan debt	9,4	10,6	10,0
Net loan debt	6,9	8,3	8,3

Source: National Treasury

Table 11 shows the composition of domestic debt for the period 2019/20 to 2020/21. Of the total domestic debt portfolio in 2020/21, 12.9 per cent (R456.0 billion) was made up of short-term loans.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

TABLE 11: COMPOSITION OF DOMESTIC DEBT BY INSTRUMENT, 2019/20-2020/21

R BILLION	2019/20 OUTCOME	2020/21 PRELIMINARY OUTCOME
Short-term loans	360,7	456,0
Shorter than 91-days	27,3	0,1
91-day	10,6	15,3
182-day	57,4	71,0
273-day	109,3	154,1
364-day	156,1	215,5
Long-term loans	2 513,4	3 087,3
Fixed-rate	1 851,1	2 283,7
Inflation-linked	650,2	787,3
Retail	12,1	16,3
Total	**2 874,1**	**3 543,3**

Source: National Treasury

Debt-service costs

The cost of servicing government debt is influenced by the volume of debt, new borrowing and a range of market variables. Table 12 shows that debt service costs in 2020/21 amounted to R232.6 billion or 4.7 per cent of GDP. This was R3.4 billion higher than initially budgeted, mainly because of the increase in the gross borrowing requirement.

TABLE 12: DEBT-SERVICE COSTS, 2020/21

R BILLION	BUDGET	REVISED BUDGET	PRELIMINARY OUTCOME
Domestic loans	211,1	213,8	213,5
Short-term	25,4	21,1	21,7
Long-term	185,7	192,7	191,8
Foreign loans	18,1	19,1	19,1
Total	**229,2**	**232,9**	**232,6**
As a percentage of:			
GDP	4,2	4,7	4,7
Expenditure	13,0	12,9	13,0
Revenue	16,4	19,4	18,8

Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

PORTFOLIO RISK BENCHMARKS

Government debt portfolio benchmarks serve as a guideline for managing the potential impact of adverse movements in various sources of risk as these relate to the debt portfolio. During 2020/21, all risk benchmark indicators remained within their respective limits and ranges.

The share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt declined by 0.86 percentage points from the previous year. This was primarily because the rate of growth in long-term debt outpaced that of Treasury bills. The share of debt maturing within five years as a percentage of fixed-rate bonds and inflation-linked bonds increased by 0.50 percentage points. This was due to the inclusion of a third of the outstanding amount of the R186 (10.50%, 2025) bond into the 5-year maturity space. During 2020/21, inflation remained relatively low and this contributed to the decline of 0.28 percentage points in the share of inflation-linked bonds as a percentage of total domestic debt. Furthermore, total revaluations (due to inflation-related adjustments) as a percentage of inflation-linked bond debt remained at 40 per cent. At 10.03 per cent, the share of foreign debt as a percentage of total debt was lower by 1.21 percentage points than in the previous year. This was because of the stronger rand and the redemption of one Japanese yen-denominated bond.

TABLE 13: PERFORMANCE OF THE GOVERNMENT DEBT PORTFOLIO AGAINST RISK BENCHMARKS, 31 MARCH 2020 AND 31 MARCH 2021

BENCHMARK DESCRIPTION	RANGE OR LIMIT		
	BENCHMARK	31 MARCH 2020	31 MARCH 2021
Share of short-term debt maturing in 12 months (Treasury bills) as a percentage of total domestic debt	15%	13,19%	12,93%
Share of long-term debt maturing in 5 years as a percentage of fixed-rate bonds and inflation-linked bonds	25%	13,30%	13,87%
Share of inflation-linked bonds as a percentage of total domestic debt	20%-25%	22,57%	22,29%
Share of foreign debt as a percentage of total government debt	15%	11,23%	10,02%
Weighted term-to-maturity (fixed-rate bonds and Treasury bills in years)	10-14	12,49	11,80
Weighted term-to-maturity (inflation-linked bonds in years)	14-17	13,66	13,22
Weighted term-to-maturity (total government debt in years)		*12,61*	*12,04*
Weighted term-to-maturity (foreign debt in years)		*11,06*	*10,66*

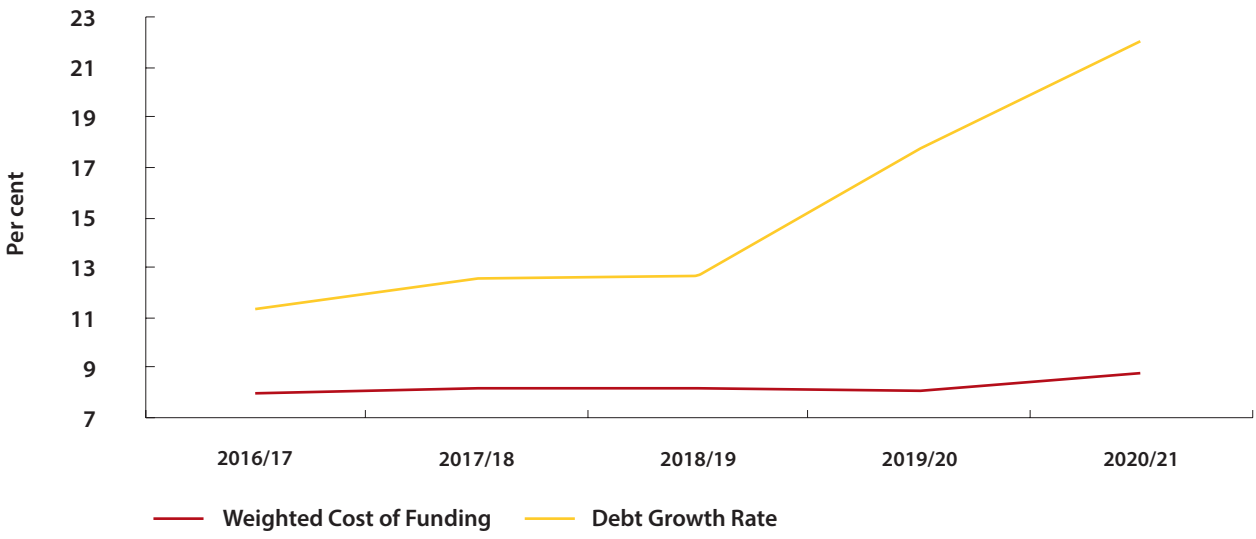
Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

PORTFOLIO RISK

Since 2016/17, structural weaknesses that led to wider budget deficits contributed to higher borrowing requirements and thus higher debt levels. These attract a higher cost of funding. Figure 23 shows the growth rates of total debt and the weighted cost of funding (WCF) for domestic long-term debt (fixed-rate and inflation-linked bonds) over the period. In 2020/21, at 22.0 per cent, the rate of growth of debt was higher than in the preceding five financial years. The WCF increased by 71 basis points from the previous year. An examination of the South African debt portfolio shows that, when the stock of debt increases, the cost of raising debt follows suit about 79.4 per cent of the time. The funding strategy over the reporting period has been anchored in reducing the cost of debt, which remains below 10 per cent.

FIGURE 23: WEIGHTED COST OF FUNDING AND GROWTH RATES OF TOTAL DEBT, 2016/17-2020/21



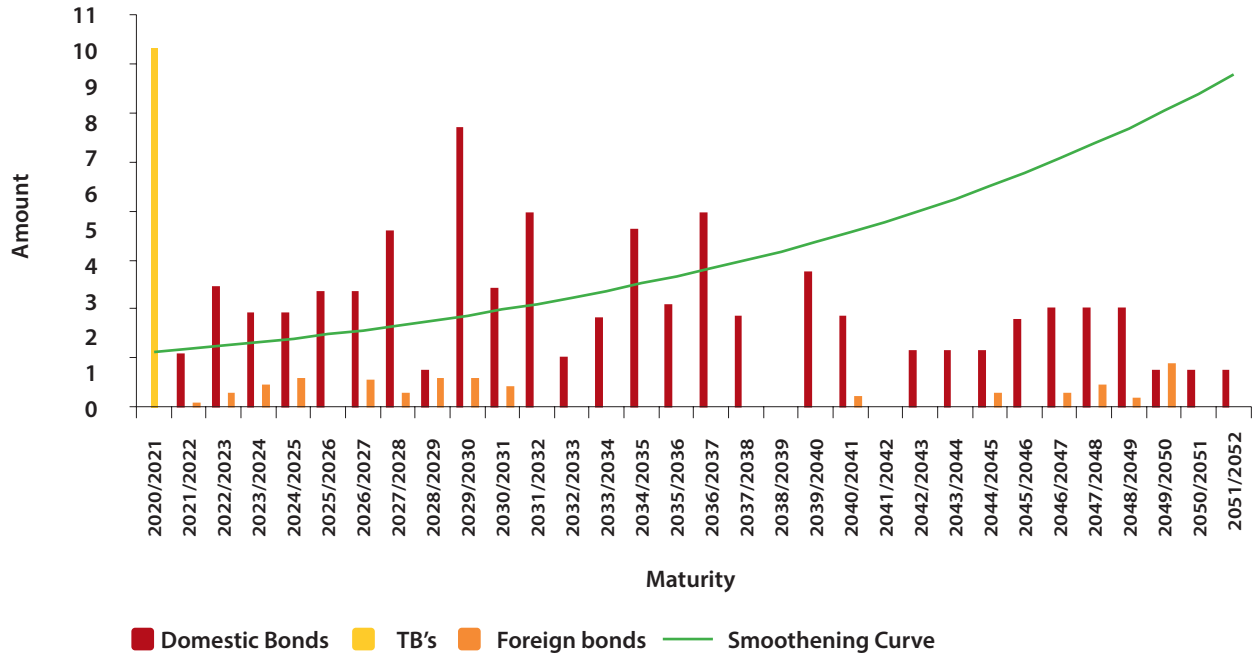
Source: National Treasury

GOVERNMENT MATURITY PROFILE

The affordable cash redemption line as identified by the smoothing curve indicates government's ideal affordability level for repayment of debt; this is shown in Figure 24. Any amount above this line poses refinancing risk (albeit not immediate) and therefore has to be switched. As at 31 March 2021, R6.8 billion was successfully switched out of the R2023 (7.75%, 2023) bond.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

FIGURE 24: MATURITY PROFILE OF GOVERNMENT DEBT, 31 MARCH 2021



Source: National Treasury

SOVEREIGN RISK ASSESSMENT

The outbreak of the COVID-19 pandemic in 2020 had long-lasting and devastating economic effects around the world. South Africa was already facing serious challenges: widespread fiscal pressures, rising debt and borrowing costs and persistently low growth. As a result, the country received multiple credit rating downgrades from the solicited rating agencies.

On 3 April 2020, Fitch Ratings (Fitch) downgraded the country's long-term foreign and local currency debt ratings to 'BB' from 'BB+' and maintained a negative outlook. On 29 April 2020, S&P Global Ratings (S&P) downgraded the country's long-term foreign and local currency debt ratings to 'BB-' and 'BB' respectively and revised the outlook to stable from negative. The agency affirmed the country's long-term foreign and local currency debt ratings at 'BB-' and 'BB' on 22 May 2020. On 5 June 2020, Rating and Investment Information, Inc. (R&I) lowered the country's long-term foreign and local currency debt ratings to 'BBB-' and 'BBB' respectively, maintaining a negative outlook.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

Following the tabling of the 2020 Medium Term Budget Policy Statement (MTBPS), on 20 November 2020 Moody's and Fitch further downgraded the country's credit ratings to 'Ba2' and 'BB-' respectively. Both agencies maintained a negative outlook. In contrast to these agencies, on the same day S&P affirmed the country's foreign and local currency ratings at 'BB-' and 'BB' respectively and maintained a stable outlook.

Rating agencies remain concerned about South Africa's fiscal position as it continues to weaken, with shrinking revenue tied to the economic contraction and large COVID-19 related spending, constraining the already weak public finances. In addition to this, the country continues to grapple with a large debt burden and sizable financial support to SOCs.

TABLE 14: SOUTH AFRICA'S SOLICITED CREDIT RATINGS, 2020/21

RATING AGENCY	**MOODY'S**		**FITCH**		**S&P**		**R&I**	
DATE OF REVIEW	**20-NOV-20**		**20-NOV-20**		**20-NOV-20**		**5-JUN-20**	
	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating
Foreign currency credit rating	Ba2	Ba1	BB-	BB	BB-	BB-	BBB-	BBB
Domestic currency credit rating	Ba2	Ba1	BB-	BB	BB	BB	BBB	BBB+
OUTLOOK	**NEGATIVE**	**NEGATIVE**	**NEGATIVE**	**NEGATIVE**	**STABLE**	**STABLE**	**NEGATIVE**	**NEGATIVE**
	Both foreign and domestic currency credit ratings are two notches below investment grade		Both foreign and domestic currency credit ratings are three notches below investment grade		The foreign currency credit rating is three notches below investment grade while the domestic currency credit rating is two notches below investment grade		The foreign currency credit rating is one notch above non-investment grade while the domestic currency credit rating is two notches above non-investment grade	

Source: Moody's, Fitch, S&P, R&I and National Treasury

Rating agencies indicated that a credit rating upgrade in the short-term is unlikely. However, the following factors could lead to a positive outlook revision:

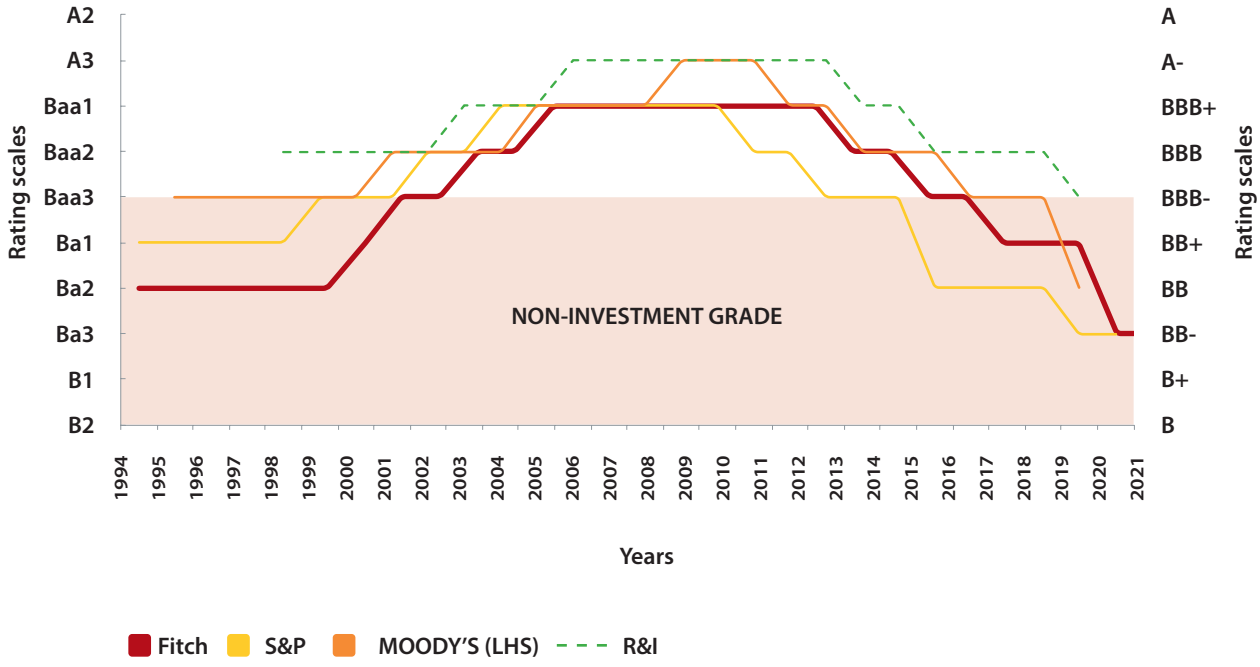
5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS | continued

- A clear and credible path towards stabilising the government debt/GDP ratio over the medium-term
- Greater confidence in economic growth prospects sufficient to support government's efforts to reduce the budget deficit and address the country's high levels of inequality and unemployment
- Substantially improved job creation and productivity leading to higher real per capita GDP growth
- Agreements with trade unions leading to substantial moderation of future increases in the wage bill.

Conversely, the following factors could lead to further downgrades to non-investment grade:

- A continued rise in the government debt/GDP ratio and failure to formulate a clear and credible path towards stabilising this ratio
- Persistently weak GDP growth that continues to undermine government's efforts to reduce the budget deficit and increases the socioeconomic pressures that result from the country's exceptional levels of inequality
- Any indication of diminished access to funding at interest rates that would further endanger government's debt sustainability
- Significant weakening of the rule of law, property rights and enforcement of contracts leading to undermining of the investment and economic outlook.

FIGURE 25: SOUTH AFRICA'S LONG-TERM FOREIGN CURRENCY CREDIT RATING HISTORY, 1994-2021



Source: Fitch, S&P, Moody's, R&I and National Treasury.

6. INVESTOR RELATIONS

INVESTOR ROADSHOWS

National Treasury runs an active investor relations programme and, following the release of the Budget Review in February and the MTBPS in October each year, conducts domestic and international roadshows with the SARB. The aim of the roadshows is to strengthen relationships with investors and keep them informed about economic, fiscal, political and social developments in the country.

Because of the COVID-19 travel restrictions, during the reporting year National Treasury and the SARB engaged domestic and international investors through global investor calls. These took place after tabling of the Supplementary Budget in June 2020 and the MTBPS and Budget Review in October 2020 and February 2021 respectively.

National Treasury also conducts frequent meetings with investors throughout the year and provides information about funding programmes and strategies via the JSE Stock Exchange News Service (SENS).

INVESTOR RELATIONS WEBSITE

The Investor Relations Website *(http://investor.treasury.gov.za),* launched in June 2011, provides institutional investors with relevant information. This includes the bond auction calendars, auctions' historical results, sovereign credit ratings and reports, holdings of domestic government bonds, policy documents, economic indicators, details of pending events, investor presentations and links to other websites such as those of the SARB and Statistics South Africa.

MARKETING AND PROMOTION OF RSA RETAIL SAVINGS BONDS

Because of the COVID-19 lock-down restrictions, National Treasury was unable to participate in physical promotions. All expos planned for 2020/21 were postponed to 2022/23.

National Treasury did, however, participate in the Homemakers virtual expo from 1 to 6 September 2020 and continued with digital marketing throughout 2020/21 using emails and various social media platforms.

Plans are in place to enhance the RSA Retail Savings Bonds website to include blogs and podcasts.

7. Annexures

ANNEXURE A: REDEMPTION SCHEDULE OF TREASURY BILLS, 31 MARCH 2021

DATE	91-DAY (R'M)	182-DAY (R'M)	273-DAY (R'M)	365-DAY (R'M)	TOTAL (R'M)
2021/04/07/.	903	3 070	4 040	3 751	11 764
2021/04/14	1 400	3 070	4 040	3 340	11 850
2021/04/21	1 400	2 460	4 040	3 340	11 240
2021/04/28	1 400	3 070	4 040	3 340	11 850
2021/05/05.	1 400	3 070	4 040	4 040	12 550
2020/05/12	1 400	3 070	4 040	4 040	12 550
2020/ 05 /19.	946	3 070	4 040	4 040	12 096
2021/05/26	1 400	3 070	4 040	1 671	10 181
2021/06/02	815	3 070	4 040	1 855	9 780
2021/06/09	860	3 070	4 040	3 775	11 745
2021/06/17	1 400	835	4 040	4 440	10 715
2021/06/23	1 400	1 007	4 040	4 440	10 887
2021/06/30	611	347	4 040	5 219	10 217
2021/07/07	-	3 070	4 040	4 440	11 550
2021/07/14	-	3 070	3 268	4 440	10 778
2021/07/21	-	3 070	4 417	4 440	11 927
2021/07/28	-	3 070	4 040	4 627	11 737
2021/08/05	-	3 070	4 040	4 440	11 550
2021/08/11	-	3 070	4 040	4 440	11 550
2021/08/18	-	3 070	4 040	4 440	11 550
2021/08/25	-	3 070	4 040	4 440	11 550
2021/09/01	-	3 070	2 190	4 440	9 700
2021/09/08	-	1 862	3 601	4 440	9 903
2021/09/15	-	3 070	3 617	4 440	11 127
2021/09/23	-	3 070	4 040	4 440	11 550
2021/09/30	-	3 070	4 040	4 440	11 550
2021/10/07	-	-	4 040	4 440	8 480
2021/10/13	-	-	4 040	5 212	9 252
2021/10/20	-	-	4 040	4 674	8 714
2021/10/27	-	-	4 040	4 440	8 480
2021/11/03	-	-	4 040	4 440	8 480
2021/11/11.	-	-	4 549	4 440	8 989

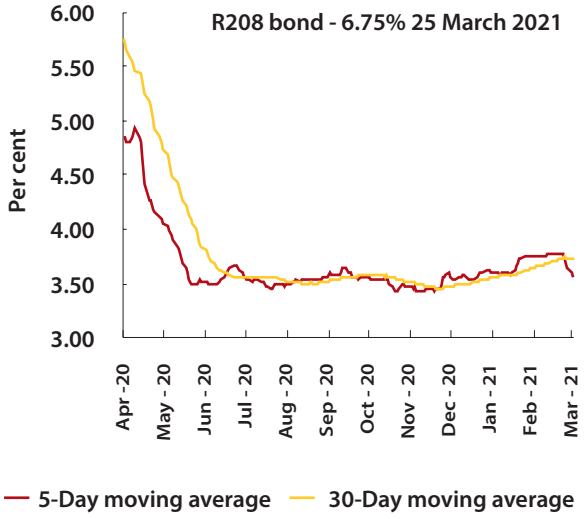
7. Annexures | continued

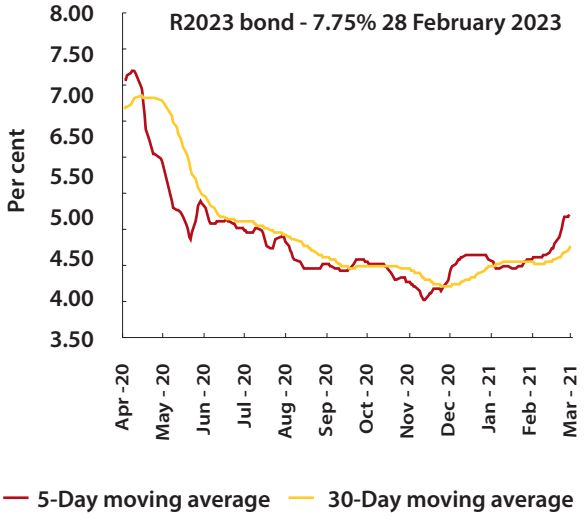
ANNEXURE A: REDEMPTION
SCHEDULE OF TREASURY BILLS, 31 MARCH 2021

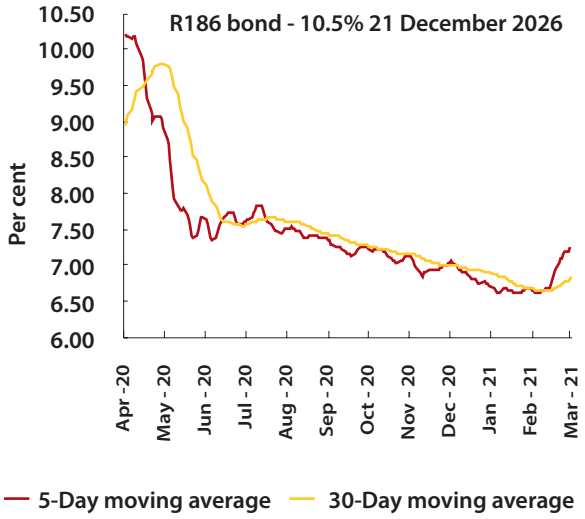
DATE	91-DAY (R'M)	182-DAY (R'M)	273-DAY (R'M)	365-DAY (R'M)	TOTAL (R'M)
202111/17	-	-	3 226	4 440	7 666
2021/11/24	-	-	4 040	4 440	8 480
2021/12/02	-	-	4 040	4 051	8 091
2021/12/08	-	-	4 040	4 440	8 480
2021/12/15	-	-	4 040	4 440	8 480
2021/12/22	-	-	4 040	4 054	8 094
2021/12/29	-	-	4 040	1 853	5 893
2022/01/07	-	-	-	2 175	2 175
2022/01/12	-	-	-	4 440	4 440
2022/01/19	-	-	-	4 440	4 440
2022/01/26	-	-	-	4 440	4 440
02.02.2022	-	-	-	4 440	4 440
2022/02/09	-	-	-	3 931	3 931
2022/02/16	-	-	-	4 440	4 440
2022/02/23	-	-	-	4 440	4 440
2022/03/01	-	-	-	4 440	4 440
2022/03/08	-	-	-	4 440	4 440
2022/03/15	-	-	-	4 440	4 440
2022/03/23	-	-	-	4 440	4 440
2022/03/30	-	-	-	4 440	4 440
Total	15 335	70 980	154 147	215 509	455 971

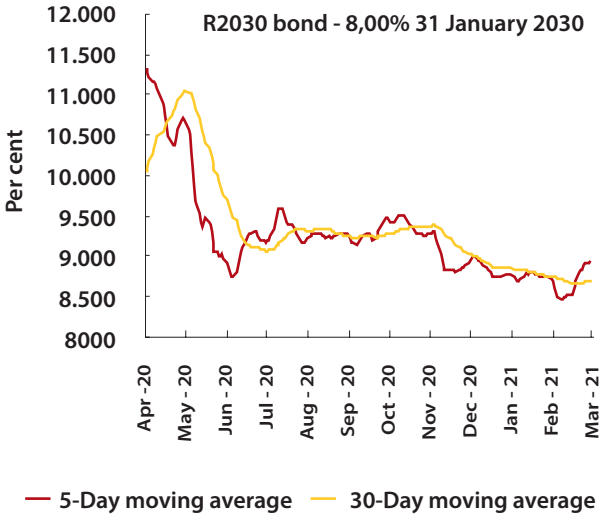
7. Annexures | continued

ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2020/21



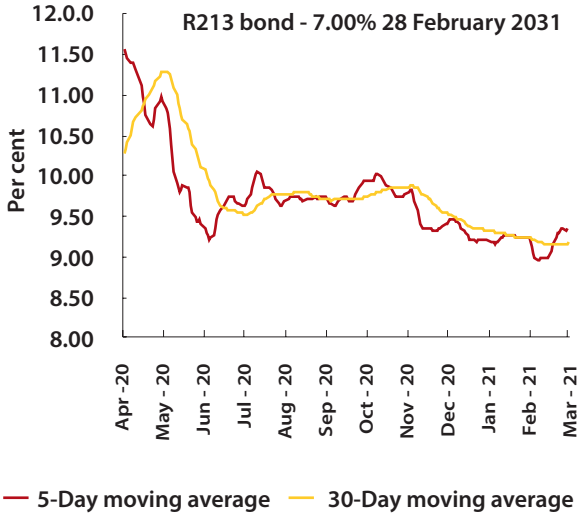


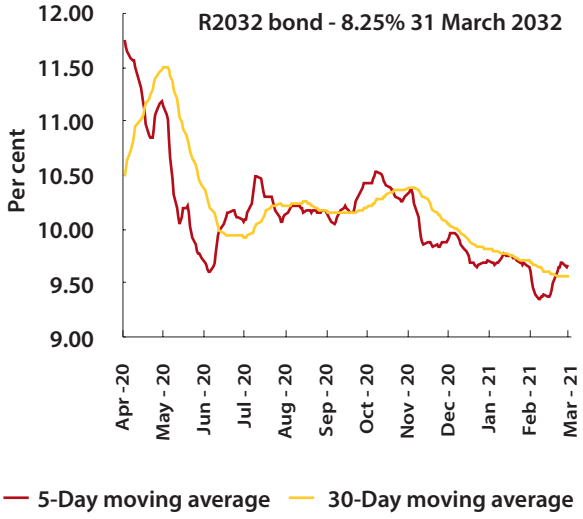


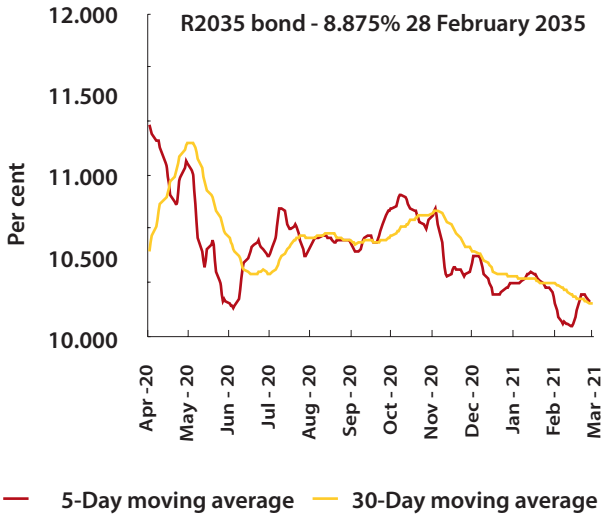


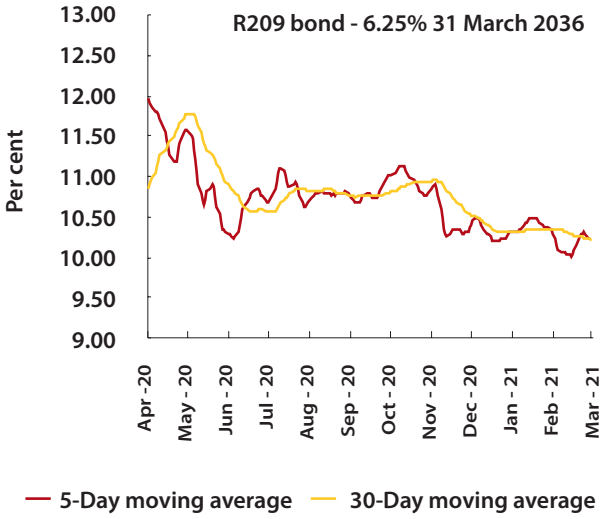
7. Annexures | continued

ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2020/21



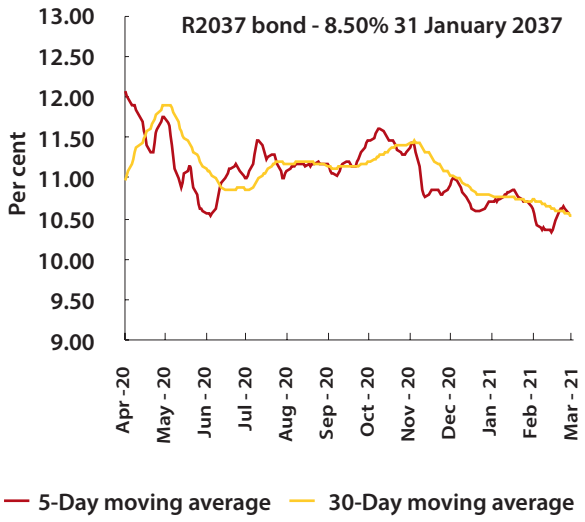


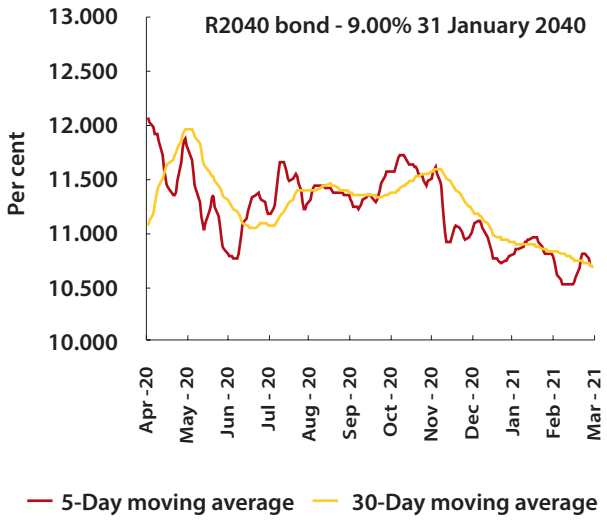


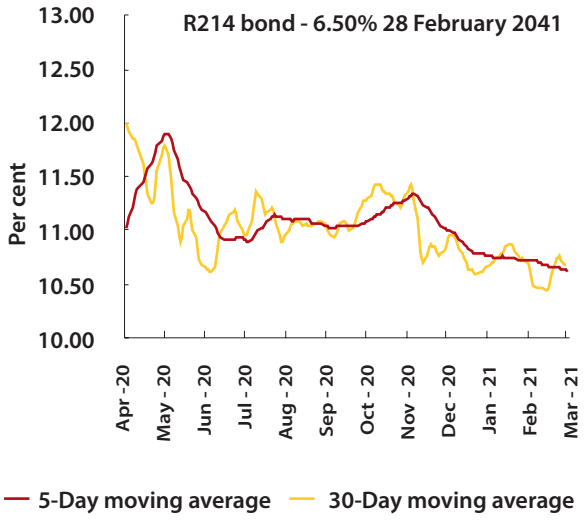


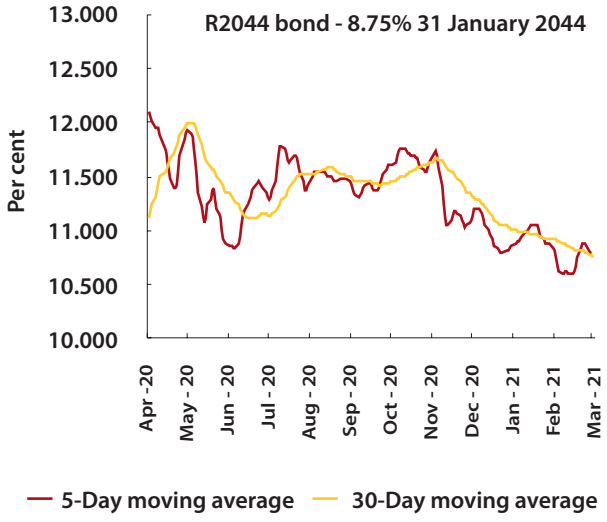
7. Annexures | continued

ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2020/21



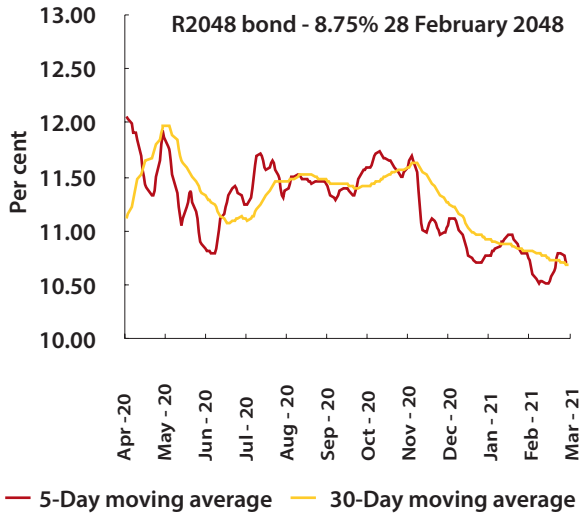






7. Annexures | continued

ANNEXURE B: YIELD TRENDS OF GOVERNMENT FIXED-RATE BONDS, 2020/21



ANNEXURE C: FIXED-RATE BOND YIELD SPREADS, 2020/21

Fixed-rate bond yield spreads, 01 April 2020

	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R208 (2021)	223	518	626	650	667,5	693	691	702	703	697	707,5	703,5
R2023 (2023)		295	403	427	444,5	470	468	479	480	474	484,5	480,5
R186 (2026)			108	132	149,5	175	173	184	185	179	189,5	185,5
R2030 (2030)				24	41,5	67	65	76	77	71	81,5	77,5
R213 (2031)					17,5	43	41	52	53	47	57,5	53,5
R2032 (2032)						25,5	23,5	34,5	35,5	29,5	40	36
R2035 (2035)							-2	9	10	4	14,5	10,5
R209 (2036)								11	12	6	16,5	12,5
R2037 (2037)									1	-5	5,5	1,5
R2040 (2040)										-6	4,5	0,5
R214 (2041)											10,5	6,5
R2044 (2044)												-4

Fixed-rate bond yield spreads, 31 March 2021

	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R208 (2021)	173	390,5	591,5	636,5	676	744,5	737,5	770	779,5	772,5	785,5	778
R2023 (2023)		217,5	418,5	463,5	503	571,5	564,5	597	606,5	599,5	612,5	605
R186 (2026)			201	246	285,5	354	347	379,5	389	382	395	387,5
R2030 (2030)				45	84,5	153	146	178,5	188	181	194	186,5
R213 (2031)					39,5	108	101	133,5	143	136	149	141,5
R2032 (2032)						68,5	61,5	94	103,5	96,5	109,5	102
R2035 (2035)							-7	25,5	35	28	41	33,5
R209 (2036)								32,5	42	35	48	40,5
R2037 (2037)									9,5	2,5	15,5	8
R2040 (2040)										-7	6	-1,5
R214 (2041)											13	5,5
R2044 (2044)												-7,5

ANNEXURE C: FIXED-RATE BOND YIELD SPREADS, 2020/21

Change In basis points, 2020/21

	R2023 (2023)	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R208 (2021)	-50	-127,5	-34,5	-13,5	8,5	51,5	46,5	68	76,5	75,5	78	74,5
R2023 (2023)		-77,5	15,5	36,5	58,5	101,5	96,5	118	126,5	125,5	128	124,5
R186 (2026)			93	114	136	179	174	195,5	204	203	205,5	202
R2030 (2030)				21	43	86	81	102,5	111	110	112,5	109
R213 (2031)					22	65	60	81,5	90	89	91,5	88
R2032 (2032)						43	38	59,5	68	67	69,5	66
R2035 (2035)							-5	16,5	25	24	26,5	23
R209 (2036)								21,5	30	29	31,5	28
R2037 (2037)									8,5	7,5	10	6,5
R2040 (2040)										-1	1,5	-2
R214 (2041)											2,5	-1
R2044 (2044)												-3,5

7. Annexures | continued

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2020/21

	91-DAY				182-DAY			
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
2020/04/03	989	789	0,82	5,88	7 565	2 645	2,86	6,26
2020/04/09	2 448	1 200	2,04	5,77	9 973	2 645	3,77	6,09
2020/04/17	5 570	1 200	4,64	4,62	13 576	2 645	5,13	5,08
2020/04/24	4 274	1 200	3,56	4,28	7 585	2 645	2,87	4,78
2020/04/30	3 695	1 350	2,74	4,27	9 798	2 945	3,33	4,62
2020/05/08	876	715	0,65	4,14	7 346	3 244	2,49	4,49
2020/05/15	2 158	1 350	1,60	4,23	9 095	2 945	3,09	4,36
2020/05/22	2 912	2 912	2,16	4,16	3 975	3 975	1,35	4,49
2020/05/29	2 828	2 528	2,09	4,21	4 641	4 641	1,58	4,62
2020/06/05	6 259	1 350	4,64	4,22	18 572	3 571	6,31	4,51
2020/06/12	7 449	1 400	5,32	4,13	9 471	3 070	3,09	4,46
2020/06/19	4 683	1 400	3,34	4,09	6 734	3 070	2,19	4,46
2020/06/26	1 478	1 400	1,06	4,06	3 341	2 291	1,09	4,49
2020/07/03	3 311	1 400	2,36	4,02	15 350	3 070	5,00	4,38
2020/07/10	3 959	1 400	2,83	4,00	5 988	3 070	1,95	4,41
2020/07/17	4 195	1 400	3,00	3,98	11 306	3 070	3,68	4,28
2020/07/24	1 353	1 213	0,97	3,92	5 379	3 070	1,75	4,21
2020/07/31	6 017	1 400	4,30	3,91	12 289	3 070	4,00	4,14
2020/08/07	3 419	1 400	2,44	3,83	14 605	3 070	4,76	3,98
2020/08/14	9 067	1 400	6,48	3,72	15 409	3 070	5,02	3,85
2020/08/21	14 061	1 400	10,04	3,60	14 431	3 070	4,70	3,71
2020/08/28	5 372	1 400	3,84	3,48	6 312	3 070	2,06	3,67
2020/09/04	2 278	1 400	1,63	3,45	6 352	3 070	2,07	3,65
2020/09/11	4 240	1 400	3,03	3,46	5 627	3 070	1,83	3,65
2020/09/18	4 922	1 400	3,52	3,49	6 349	3 070	2,07	3,71
2020/09/25	4 665	1 400	3,33	3,50	7 142	3 070	2,33	3,74
2020/10/02	3 235	1 400	2,31	3,51	7 543	3 070	2,46	3,69
2020/10/09	2 034	1 400	1,45	3,51	4 590	3 070	1,50	3,68

7. Annexures | continued

ANNEXURE D: SUMMARY OF 91-DAY AND 182-DAY TREASURY BILL AUCTIONS, 2020/21

	91-DAY				182-DAY			
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
2020/10/16	2 351	1 400	1,68	3,49	3 085	3 070	1,00	3,69
2020/10/23	3 412	1 400	2,44	3,49	6 036	3 070	1,97	3,71
2020/10/30	2 250	1 400	1,61	3,51	4 731	3 070	1,54	3,76
2020/11/06	1 166	1 001	0,83	3,53	3 451	3 070	1,12	3,74
2020/11/13	1 934	1 400	1,38	3,61	4 184	3 070	1,36	3,81
2020/11/20	1 642	1 372	1,17	3,74	5 012	3 070	1,63	3,89
2020/11/27	3 772	1 400	2,69	3,75	4 195	3 070	1,37	3,93
2020/12/04	2 855	1 839	2,04	3,77	5 903	3 070	1,92	3,93
2020/12/11	1 613	1 266	1,15	3,79	1 733	835	0,56	4,02
2020/12/18	3 145	1 400	2,25	3,79	1 332	1 007	0,43	4,03
2020/12/24	923	688	0,66	3,87	852	347	0,28	4,20
2020/12/31	1 353	903	0,97	3,91	6 395	3 070	2,08	4,19
2021/01/08	1 942	1 400	1,39	3,89	4 522	3 070	1,47	4,14
2021/01/15	3 632	1 400	2,59	3,84	4 199	3 070	1,37	4,12
2021/01/22	2 298	1 400	1,64	3,78	3 739	3 070	1,22	4,09
2021/01/29	1 833	1 400	1,31	3,79	3 503	3 070	1,14	4,14
2021/02/05	1 780	1 400	1,27	3,79	4 056	3 070	1,32	4,27
2021/02/12	1 281	946	0,91	3,81	3 915	3 070	1,28	4,36
2021/03/19	1 787	1 400	1,28	3,83	4 327	3 070	1,41	4,41
2021/02/26	1 027	815	0,73	3,83	5 413	3 070	1,76	4,42
2021/03/05	1 320	860	0,94	3,86	3 217	1 862	1,05	4,52
2021/03/12	1 728	1 400	1,23	3,86	4 653	3 070	1,52	4,56
2021/03/19	1 792	1 400	1,28	3,86	6 487	3 070	2,11	4,63
2021/03/26	611	611	0,44	3,85	5 632	3 070	1,83	4,64

7. Annexures | continued

ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2020/21

273-DAY					364-DAY			
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
2020/04/03	4 671	3 190	1,46	6,22	10 166	3 751	3,04	6,25
2020/04/09	4 643	3 190	1,46	6,13	6 247	3 340	1,87	6,12
2020/04/17	10 966	3 190	3,44	5,24	12 086	3 340	3,62	5,25
2020/04/24	10 560	3 190	3,31	4,87	10 784	3 340	3,23	4,89
2020/04/30	7 962	3 740	2,13	4,67	8 467	4 040	2,54	4,66
2020/05/08	9 499	4 076	2,54	4,50	6 823	4 040	1,69	4,52
2020/05/15	5 814	3 740	1,55	4,43	5 175	4 040	1,28	4,48
2020/05/22	1 950	1 950	0,52	4,49	1 671	1 671	0,41	4,62
2020/05/29	2 098	2 098	0,56	4,64	1 855	1 855	0,46	4,76
2020/06/05	3 379	3 379	0,90	4,83	3 775	3 775	0,85	4,86
2020/06/12	11 879	4 040	2,94	4,78	18 535	4 440	4,17	4,89
2020/06/19	8 570	4 040	2,12	4,71	8 469	4 440	1,91	4,81
2020/06/26	7 098	4 040	1,76	4,64	10 744	5 219	2,42	4,71
2020/07/03	11 414	4 040	2,83	4,54	15 126	4 440	3,41	4,60
2020/07/10	10 049	4 040	2,49	4,50	12 066	4 440	2,72	4,53
2020/07/17	13 842	4 040	3,43	4,39	15 790	4 440	3,56	4,40
2020/07/24	8 436	4 040	2,09	4,32	8 015	4 627	1,81	4,35
2020/07/31	11 134	4 040	2,76	4,27	12 378	4 440	2,79	4,30
2020/08/07	14 822	4 040	3,67	4,12	17 111	4 440	3,85	4,12
2020/08/14	17 091	4 040	4,23	3,96	20 100	4 440	4,53	3,97
2020/08/21	12 199	4 040	3,02	3,85	14 504	4 440	3,27	3,88
2020/08/28	6 699	4 040	1,66	3,87	7 209	4 440	1,62	3,89
2020/09/04	9 888	4 040	2,45	3,84	13 248	4 440	2,98	3,86
2020/09/11	15 168	4 040	3,75	3,70	13 493	4 440	3,04	3,73
2020/09/18	10 989	4 040	2,72	3,73	11 843	4 440	2,67	3,75
2020/09/25	5 345	4 040	1,32	3,86	7 183	4 440	1,62	3,82
2020/10/02	9 048	4 040	2,24	3,77	5 914	4 440	1,33	3,91

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ANNEXURE E: SUMMARY OF 273-DAY AND 364-DAY TREASURY BILL AUCTIONS, 2020/21

	273-DAY				364-DAY			
ISSUE DATE	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)	BIDS RECEIVED (R'M)	ALLOCATED AMOUNT (R'M)	BID-TO-COVER RATIO (TIMES)	EFFECTIVE RATE (%)
2020/10/09	3 718	3 268	0,92	3,79	9 656	4 440	2,17	3,84
2020/10/16	6 378	4 417	1,58	3,81	5 234	4 440	1,18	3,86
2020/10/23	10 475	4 040	2,59	3,78	8 184	4 627	1,84	3,92
2020/10/30	5 695	4 040	1,41	3,85	12 590	4 440	2,84	3,92
2020/11/06	4 176	4 040	1,03	3,86	10 263	4 440	2,31	3,89
2020/11/13	8 334	4 040	2,06	3,85	5 948	4 440	1,34	3,95
2020/11/20	4 688	4 040	1,16	4,00	5 328	4 440	1,20	4,05
2020/11/27	2 556	2 190	0,63	4,14	4 194	4 051	0,94	4,17
2020/12/04	4 291	3 601	1,06	4,29	8 740	4 440	1,97	4,31
2020/12/11	3 800	3 617	0,94	4,43	7 144	4 440	1,61	4,40
2020/12/18	6 604	4 040	1,63	4,47	4 581	4 053	1,03	4,49
2020/12/24	7 003	4 040	1,73	4,53	4 320	1 853	0,97	4,49
2020/12/31	10 940	4 040	2,71	4,50	6 177	4 440	1,39	4,51
2021/01/08	12 857	4 040	3,18	4,42	12 592	4 440	2,84	4,46
2021/01/15	13 434	4 040	3,33	4,33	15 242	4 440	3,43	4,35
2021/01/22	8 672	4 040	2,15	4,26	6 889	4 440	1,55	4,30
2021/01/29	4 981	4 040	1,23	4,29	7 435	4 440	1,67	4,30
2021/02/07	7 250	4 549	1,79	4,31	3 931	3 931	0,89	4,45
2021/02/14	3 946	3 226	0,98	4,47	8 473	4 440	1,91	4,52
2021/02/21	10 940	4 040	2,71	4,50	6 177	2 175	1,39	4,51
2021/02/28	4 356	4 040	1,08	4,78	6 215	4 440	1,40	4,78
2021/03/05	13 504	4 040	3,34	4,80	8 126	4 440	1,83	4,87
2021/03/12	13 006	4 040	3,22	4,79	9 607	4 440	2,16	4,90
2021/03/19	11 900	4 040	2,95	4,77	18 322	4 440	4,13	4,88
2021/03/26	6 277	4 040	1,55	4,79	15 267	4 440	3,44	4,86

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ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2020/04/07	R2023	2023/02/28	7,750	1 510	1 510	5 400	7,100
2020/04/07	R2030	2030/01/31	8,000	1 510	1 510	5 515	10,030
2020/04/07	R2032	2032/03/31	8,250	1 510	1 510	4 270	11,445
2020/04/14	R186	2026/12/21	10,500	1 510	1 510	9 265	9,550
2020/04/14	R2032	2032/03/31	8,250	1 510	1 510	3 765	11,200
2020/04/14	R2037	2037/01/31	8,500	1 510	1 510	2 720	11,710
2020/04/21	R186	2026/12/21	10,500	1 510	1 510	9 125	8,980
2020/04/21	R2030	2030/01/31	8,000	1 510	1 510	5 005	10,355
2020/04/21	R2035	2035/02/28	8,875	1 510	1 510	3 510	11,220
2020/04/28	R186	2026/12/21	10,500	1 510	1 510	4 340	5,960
2020/04/28	R2023	2023/02/28	7,750	1 510	1 510	12 530	9,080
2020/04/28	R2030	2030/01/31	8,000	1 510	1 510	7 100	10,900
2020/05/05	R186	2026/12/21	10,500	1 510	1 510	11 070	8,075
2020/05/05	R2030	2030/01/31	8,000	1 510	1 510	12 515	9,950
2020/05/05	R2032	2032/03/31	8,250	1 510	1 510	7 215	10,565
2020/05/12	R186	2026/12/21	10,500	1 510	1 510	6 735	7,780
2020/05/12	R2030	2030/01/31	8,000	1 510	1 510	5 585	9,400
2020/05/12	R2035	2035/02/28	8,875	1 510	1 510	3 775	10,660
2020/05/19	R2023	2023/02/28	7,750	2 100	2 100	4 160	4,800
2020/05/19	R2030	2030/01/31	8,000	2 000	2 000	7 115	8,900
2020/05/19	R2035	2035/02/28	8,875	2 000	2 000	6 165	10,600
2020/05/26	R186	2026/12/21	10,500	2 100	2 100	4 580	7,550
2020/05/26	R2030	2030/01/31	8,000	2 000	2 000	4 280	8,960
2020/05/26	R2035	2035/02/28	8,875	2 000	2 000	4 555	10,240
2020/06/02	R2030	2030/01/31	8,000	2 100	2 100	4 810	8,685
2020/06/02	R2035	2035/02/28	8,875	2 000	2 000	4 560	10,290
2020/06/02	R2037	2037/01/31	8,500	2 000	2 000	4 000	10,560
2020/06/09	R186	2026/12/21	10,500	2 100	2 100	5 970	7,530
2020/06/09	R2030	2030/01/31	8,000	2 000	2 000	6 460	8,980
2020/06/09	R2048	2048/02/28	8,750	2 000	2 000	4 540	11,070
2020/06/17	R186	2026/12/21	10,500	1 500	1 500	3 515	7,795

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ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2020/06/17	R2030	2030/01/31	8,000	3 100	3 100	8 610	9,295
2020/06/17	R2032	2032/03/31	8,250	1 500	1 500	2 640	10,185
2020/06/23	R2030	2030/01/31	8,000	2 100	2 100	8 940	9,180
2020/06/23	R2035	2035/02/28	8,875	2 000	2 000	3 595	10,890
2020/06/23	R2048	2048/02/28	8,750	2 000	2 000	4 755	11,370
2020/06/30	R186	2026/12/21	10,500	2 100	2 100	5 785	7,640
2020/06/30	R2030	2030/01/31	8,000	2 000	2 000	4 275	9,200
2020/06/30	R2035	2035/02/28	8,875	2 000	2 000	3 490	10,790
2020/07/07	R186	2026/12/21	10,500	2 200	2 200	3 845	7,900
2020/07/07	R2030	2030/01/31	8,000	2 200	2 200	3 705	9,700
2020/07/07	R2048	2048/02/28	8,750	2 200	2 200	5 420	11,750
2020/07/14	R186	2026/12/21	10,500	2 200	2 200	7 925	7,740
2020/07/14	R2030	2030/01/31	8,000	2 200	2 200	7 670	9,480
2020/07/14	R2048	2048/02/28	8,750	2 200	2 200	4 440	11,620
2020/07/21	R186	2026/12/21	10,500	2 200	2 200	9 905	7,490
2020/07/21	R2032	2032/03/31	8,250	2 200	2 200	6 050	10,310
2020/07/21	R2037	2037/01/31	8,500	2 200	2 200	4 470	11,400
2020/07/28	R186	2026/12/21	10,500	2 200	2 200	4 960	7,425
2020/07/28	R2030	2030/01/31	8,000	2 200	2 200	4 845	9,120
2020/07/28	R2032	2032/03/31	8,250	2 200	2 200	5 105	10,000
2020/08/04	R186	2026/12/21	10,500	2 200	2 200	4 605	7,500
2020/08/04	R2032	2032/03/31	8,250	2 200	2 200	5 060	10,220
2020/08/04	R2048	2048/02/28	8,750	2 200	2 200	6 975	11,525
2020/08/11	R2032	2032/03/31	8,250	2 200	2 200	3 990	10,190
2020/08/11	R2037	2037/01/31	8,500	2 200	2 200	3 440	11,285
2020/08/11	R2044	2044/01/31	8,750	2 200	2 200	7 000	11,520
2020/08/18	R186	2026/12/21	10,500	2 200	2 200	7 355	7,460
2020/08/18	R2032	2032/03/31	8,250	2 200	2 200	4 385	10,220
2020/08/18	R2048	2048/02/28	8,750	2 200	2 200	4 895	11,470
2020/08/25	R186	2026/12/21	10,500	2 200	2 200	6 155	7,330
2020/08/25	R2030	2030/01/31	8,000	2 200	2 200	5 790	9,260

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ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2020/08/25	R2048	2048/02/28	8,750	2 200	2 200	7 610	11,440
2020/09/01	R2032	2032/03/31	8,250	2 200	2 200	6 000	10,060
2020/09/01	R2040	2040/01/31	9,000	2 200	2 200	6 890	11,220
2020/09/01	R2044	2044/01/31	8,750	2 200	2 200	6 870	11,330
2020/09/08	R186	2026/12/21	10,500	2 200	2 200	5 085	7,220
2020/09/08	R2030	2030/01/31	8,000	2 200	2 200	3 815	9,190
2020/09/08	R2035	2035/02/28	8,875	2 200	2 200	4 205	10,840
2020/09/15	R2032	2032/03/31	8,250	2 200	2 200	4 995	10,180
2020/09/15	R2037	2037/01/31	8,500	2 200	2 200	4 595	11,185
2020/09/15	R2048	2048/02/28	8,750	2 200	2 200	6 740	11,320
2020/09/22	R2035	2035/02/28	8,875	2 200	2 200	4 330	11,130
2020/09/22	R2040	2040/01/31	9,000	2 200	2 200	5 245	11,510
2020/09/22	R2048	2048/02/28	8,750	2 200	2 200	4 895	11,525
2020/09/29	R186	2026/12/21	10,500	2 200	2 200	7 160	7,260
2020/09/29	R2030	2030/01/31	8,000	2 200	2 200	9 110	9,460
2020/09/29	R2037	2037/01/31	8,500	2 200	2 200	4 835	11,470
2020/10/06	R2030	2030/01/31	8,000	2 200	2 200	8 120	9,550
2020/10/06	R2040	2040/01/31	9,000	2 200	2 200	6 225	11,780
2020/10/06	R2048	2048/02/28	8,750	2 200	2 200	6 365	11,780
2020/10/13	R186	2026/12/21	10,500	2 200	2 200	6 235	7,150
2020/10/13	R2030	2030/01/31	8,000	2 200	2 200	7 950	9,400
2020/10/13	R2044	2044/01/31	8,750	2 200	2 200	5 180	11,700
2020/10/20	R186	2026/12/21	10,500	2 200	2 200	7 015	6,950
2020/10/20	R2032	2032/03/31	8,250	2 200	2 200	6 560	10,290
2020/10/20	R2040	2040/01/31	9,000	2 200	2 200	4 900	11,590
2020/10/27	R186	2026/12/21	10,500	2 200	2 200	6 425	7.07
2020/10/27	R2030	2030/01/31	8,000	2 200	2 200	7 255	9.165
2020/10/27	R2048	2048/02/28	8,750	2 200	2 200	6 535	11.43
2020/11/03	R2030	2030/01/31	8,000	2 200	2 200	6 335	9,300
2020/11/03	R2035	2035/02/28	8,875	2 200	2 200	4 625	11,170
2020/11/03	R2040	2040/01/31	9,000	2 200	2 200	4 100	11,610

7. Annexures | continued

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2020/11/10	R186	2026/12/21	10,500	2 200	2 200	5 765	6,900
2020/11/10	R2032	2032/03/31	8,250	2 200	2 200	9 420	9,870
2020/11/10	R2048	2048/02/28	8,750	2 200	2 200	6 195	10,950
2020/11/17	R2030	2030/01/31	8,000	2 200	2 200	5 960	8,780
2020/11/17	R2032	2032/03/31	8,250	2 200	2 200	5 530	9,820
2020/11/17	R2044	2044/01/31	8,750	2 200	2 200	3 615	11,275
2020/11/24	R186	2026/12/21	10,500	2 200	2 200	6 540	6,950
2020/11/24	R2030	2030/01/31	8,000	2 200	2 200	5 160	8,850
2020/11/24	R2035	2035/02/28	8,875	2 200	2 200	7 130	10,550
2020/12/01	R186	2026/12/21	10,500	2 200	2 200	4 100	7,100
2020/12/01	R213	2031/02/28	7,000	2 200	2 200	3 340	9,500
2020/12/01	R2037	2037/01/31	8,500	2 200	2 200	3 330	11,050
2020/12/08	R186	2026/12/21	10,500	2 200	2 200	7 225	6,880
2020/12/08	R2032	2032/03/31	8,250	2 200	2 200	8 125	9,890
2020/12/08	R2048	2048/02/28	8,750	2 200	2 200	7 715	11,040
2020/12/15	R186	2026/12/21	10,500	2 200	2 200	6 565	6,820
2020/12/15	R2030	2030/01/31	8,000	2 200	2 200	8 000	8,750
2020/12/15	R2048	2048/02/28	8,750	2 200	2 200	8 370	10,820
2021/01/12	R186	2026/12/21	10,500	2 200	2 200	6 230	6,670
2021/01/12	R2032	2032/03/31	8,250	2 200	2 200	6 190	9,755
2021/01/12	R2035	2035/02/28	8,875	2 200	2 200	6 290	10,570
2021/01/19	R2030	2030/01/31	8,000	2 200	2 200	7 710	8,785
2021/01/19	R2037	2037/01/31	8,500	2 200	2 200	7 655	10,820
2021/01/19	R2048	2048/02/28	8,750	2 200	2 200	6 790	10,930
2021/01/26	R186	2026/12/21	10,500	2 200	2 200	7 305	6,690
2021/01/26	R2030	2030/01/31	8,000	2 200	2 200	8 390	8,805
2021/01/26	R2048	2048/02/28	8,750	2 200	2 200	8 485	10,810
2021/02/02	R2032	2032/03/31	8,250	2 200	2 200	10 660	9,440
2021/02/02	R2037	2037/01/31	8,500	2 200	2 200	11 920	10,425
2021/02/02	R2040	2040/01/31	9,000	2 200	2 200	9 920	10,570
2021/02/09	R2032	2032/03/31	8,250	2 200	2 200	6 820	9,400

7. Annexures | continued

ANNEXURE F: SUMMARY OF FIXED-RATE BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON (%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD (%)
2021/02/09	R2037	2037/01/31	8,500	2 200	2 200	8 665	10,380
2021/02/09	R2044	2044/01/31	8,750	2 200	2 200	7 065	10,630
2021/02/16	R2035	2035/02/28	8,875	2 200	2 200	5 055	10,105
2021/02/16	R2040	2040/01/31	9,000	2 200	2 200	4 670	10,580
2021/02/16	R2044	2044/01/31	8,750	2 200	2 200	5 130	10,620
2021/02/23	R2032	2032/03/31	8,250	2 200	2 200	7 650	9,700
2021/02/23	R2037	2037/01/31	8,500	2 200	2 200	6 560	10,700
2021/02/23	R2044	2044/01/31	8,750	2 200	2 200	6 225	10,940
2021/03/02	R186	2026/12/21	10,500	2 200	2 200	4 920	7,230
2021/03/02	R2032	2032/03/31	8,250	2 200	2 200	4 770	9,680
2021/03/02	R2037	2037/01/31	8,500	2 200	2 200	5 110	10,545
2021/03/09	R213	2031/02/28	7,000	2 200	2 200	4 945	9,670
2021/03/09	R2035	2035/02/28	8,875	2 200	2 200	3 335	10,825
2021/03/09	R2040	2040/01/31	9,000	2 200	2 200	3 265	11,170
2021/03/16	R186	2026/12/21	10,500	2 200	2 200	5 960	7,380
2021/03/16	R2030	2030/01/31	8,000	2 200	2 200	4 945	9,230
2021/03/16	R2035	2035/02/28	8,875	2 200	2 200	3 695	10,810
2021/03/23	R2030	2030/01/31	8,000	2 200	2 200	3 645	9,500
2021/03/23	R213	2031/02/28	7,000	2 200	2 200	3 565	9,990
2021/03/23	R2032	2032/03/31	8,250	2 200	2 200	3 645	10,400
2021/03/30	R2037	2037/01/31	8,500	1 600	1 600	4 385	11,330
2021/03/30	R2044	2044/01/31	8,750	1 600	1 600	3 940	11,545
2021/03/30	R2048	2048/02/28	8,750	1 600	1 600	3 270	11,500

7. Annexures | continued

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON(%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD(%)
2020/04/03	R212	2022/01/11	2,750	1040	650	1 650	2,500
2020/04/03	I2025	2025/01/31	2,000		310	845	4,300
2020/04/03	I2050	2050/12/31	2,500		80	1 980	4,450
2020/04/17	I2025	2025/01/31	2,000	1040	400	1 610	3,850
2020/04/17	I2038	2038/01/31	2,250		150	680	4,000
2020/04/17	I2050	2050/12/31	2,500		490	1 230	4,100
2020/04/24	I2033	2033/03/28	1,875	1040	605	955	4,450
2020/04/24	I2038	2038/01/31	2,250		205	755	4,470
2020/04/24	I2046	2046/03/31	2,500		230	710	4,550
2020/05/08	I2025	2025/01/31	2,000	1040	160	640	3,840
2020/05/08	I2046	2046/03/31	2,500		380	820	4,200
2020/05/08	I2050	2050/12/31	2,500		500	1 350	4,230
2020/05/15	I2033	2033/03/28	1,875	1400	470	750	4,520
2020/05/15	I2038	2038/01/31	2,250		485	975	4,600
2020/05/15	I2050	2050/12/31	2,500		445	1 010	4,650
2020/05/22	I2025	2025/01/31	2,000	1400	555	645	3,800
2020/05/22	I2038	2038/01/31	2,250		445	845	4,660
2020/05/22	I2050	2050/12/31	2,500		400	920	4,680
2020/05/29	I2025	2025/01/31	2,000	1400	410	940	3,790
2020/05/29	I2038	2038/01/31	2,250		630	1 665	4,580
2020/05/29	I2046	2046/03/31	2,500		360	1 390	4,610
2020/06/05	I2029	2029/03/31	1,875	1400	250	1 185	4,150
2020/06/05	I2038	2038/01/31	2,250		460	795	4,570
2020/06/05	I2050	2050/12/31	2,500		690	755	4,650
2020/06/12	I2025	2025/01/31	2,000	1400	500	580	3,720
2020/06/12	I2033	2033/03/28	1,875		645	1 130	4,440
2020/06/12	I2046	2046/03/31	2,500		255	865	4,585
2020/06/19	I2025	2025/01/31	2,000	1400	505	555	3,750
2020/06/19	I2038	2038/01/31	2,250		640	1 460	4,560
2020/06/19	I2050	2050/12/31	2,500		255	490	4,610
2020/06/26	I2025	2025/01/31	2,000	1400	590	1 150	3,820

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ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON(%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD(%)
2020/06/26	I2038	2038/01/31	2,250		305	580	4,580
2020/06/26	I2050	2050/12/31	2,500		505	720	4,660
2020/07/03	I2029	2029/03/31	1,875	2000	100	720	4,310
2020/07/03	I2038	2038/01/31	2,250		700	895	4,760
2020/07/03	I2046	2046/03/31	2,500		765	960	4,820
2020/07/10	I2025	2025/01/31	2,000	2000	500	800	3,980
2020/07/10	I2038	2038/01/31	2,250		745	955	4,950
2020/07/10	I2050	2050/12/31	2,500		755	1 395	4,970
2020/07/17	I2029	2029/03/31	1,875	2000	620	1 665	4,450
2020/07/17	I2038	2038/01/31	2,250		640	1 135	4,910
2020/07/17	I2046	2046/03/31	2,500		740	2 340	4,920
2020/07/24	I2025	2025/01/31	2,000	2000	725	2 075	3,810
2020/07/24	I2046	2046/03/31	2,500		685	1 190	4,910
2020/07/24	I2050	2050/12/31	2,500		590	1 195	4,925
2020/07/31	I2025	2025/01/31	2,000	2000	900	2 545	3,730
2020/07/31	I2033	2033/03/28	1,875		600	1 575	4,800
2020/07/31	I2046	2046/03/31	2,500		500	1 330	4,930
2020/08/07	I2029	2029/03/31	1,875	2000	860	1 670	4,410
2020/08/07	I2046	2046/03/31	2,500		600	1 170	4,870
2020/08/07	I2050	2050/12/31	2,500		540	1 125	4,850
2020/08/14	I2025	2025/01/31	2,000	2 000	770	2 740	3,450
2020/08/14	I2038	2038/01/31	2,250		605	1 915	4,780
2020/08/14	I2046	2046/03/31	2,500		610	1 865	4,840
2020/08/21	I2025	2025/01/31	2,000	2 000	665	2 530	3,350
2020/08/21	I2033	2033/03/28	1,875		680	1 705	4,570
2020/08/21	I2046	2046/03/31	2,500		655	2 060	4,780
2020/08/28	I2025	2025/01/31	2,000	2 000	700	2 025	2,950
2020/08/28	I2038	2038/01/31	2,250		610	930	4,580
2020/08/28	I2046	2046/03/31	2,500		690	1 330	4,640
2020/09/04	I2025	2025/01/31	2,000	2 000	870	2 185	2,750
2020/09/04	I2038	2038/01/31	2,250		405	500	4,530

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ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON(%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD(%)
2020/09/04	I2046	2046/03/31	2,500		725	1 320	4,535
2020/09/11	I2038	2038/01/31	2,250	2 000	660	950	4,630
2020/09/11	I2046	2046/03/31	2,500		640	705	4,670
2020/09/11	I2050	2050/12/31	2,500		700	845	4,670
2020/09/18	I2025	2025/01/31	2,000	1 915	200	200	2,800
2020/09/18	I2038	2038/01/31	2,250		800	800	4,690
2020/09/18	I2050	2050/12/31	2,500		915	915	4,700
2020/09/25	I2029	2029/03/31	1,875	2 000	690	910	4,150
2020/09/25	I2038	2038/01/31	2,250		690	1 115	4,800
2020/09/25	I2046	2046/03/31	2,500		620	1 140	4,840
2020/10/02	I2025	2025/01/31	2,000	2 000	365	490	3,040
2020/10/02	I2029	2029/03/31	1,875		540	965	4,250
2020/10/02	I2046	2046/03/31	2,500		1 095	1 360	4,850
2020/10/09	I2025	2025/01/31	2,000	2 000	395	395	3,045
2020/10/09	I2038	2038/01/31	2,250		1 030	1 660	4,820
2020/10/09	I2046	2046/03/31	2,500		575	1 325	4,800
2020/10/16	I2029	2029/03/31	1,875	2 000	700	1 010	4,180
2020/10/16	I2038	2038/01/31	2,250		650	905	4,820
2020/10/16	I2050	2050/12/31	2,500		650	1 120	4,800
2020/10/23	I2025	2025/01/31	2,000	2 000	75	75	3,000
2020/10/23	I2033	2033/03/28	1,875		955	4 690	4,730
2020/10/23	I2046	2046/03/31	2,500		970	4 820	4,850
2020/10/30	I2025	2025/01/31	2,000	2 000	120	3 010	3,020
2020/10/30	I2033	2033/03/28	1,875		940	4 750	4,780
2020/10/30	I2050	2050/12/31	2,500		940	4 870	4,930
2020/11/06	I2029	2029/03/31	1,875	2 000	615	2 965	4,230
2020/11/06	I2038	2038/01/31	2,250		775	2 970	4,840
2020/11/06	I2046	2046/03/31	2,500		610	1 570	4,910
2020/11/13	I2025	2025/01/31	2,000	2 000	695	1 500	2,750
2020/11/13	I2038	2038/01/31	2,250		660	1 160	4,670
2020/11/13	I2050	2050/12/31	2,500		520	520	4,740

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ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON(%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD(%)
2020/11/20	I2029	2029/03/31	1,875	2 000	295	695	4,100
2020/11/20	I2033	2033/03/28	1,875		765	1 230	4,660
2020/11/20	I2046	2046/03/31	2,500		940	1 465	4,780
2020/11/27	I2025	2025/01/31	2,000	2 000	205	595	2,670
2020/11/27	I2033	2033/03/28	1,875		830	1 260	4,690
2020/11/27	I2038	2038/01/31	2,250		965	2 015	4,765
2020/12/04	I2029	2029/03/31	1,875	2 000	605	2 155	4,080
2020/12/04	I2033	2033/03/28	1,875		785	1 010	4,650
2020/12/04	I2046	2046/03/31	2,500		610	1 610	4,720
2020/12/11	I2025	2025/01/31	2,000	2 000	670	1 550	2,430
2020/12/11	I2033	2033/03/28	1,875		690	1 220	4,360
2020/12/11	I2046	2046/03/31	2,500		640	1 185	4,380
2020/12/18	I2025	2025/01/31	2,000	2 000	615	990	2,470
2020/12/18	I2038	2038/01/31	2,250		490	580	4,400
2020/12/18	I2050	2050/12/31	2,500		665	665	4,430
2021/01/15	I2025	2025/01/31	2,000	2 000	1 250	2 500	2,510
2021/01/15	I2038	2038/01/31	2,250		320	355	4,450
2021/01/15	I2046	2046/03/31	2,500		430	680	4,510
2021/01/22	I2025	2025/01/31	2,000	2 000	745	780	4,450
2021/01/22	I2029	2029/03/31	1,875		885	1 705	3,840
2021/01/22	I2050	2050/12/31	2,500		370	685	4,480
2021/01/29	I2025	2025/01/31	2,000	2 000	1 250	2 180	2,355
2021/01/29	I2038	2038/01/31	2,250		350	775	4,390
2021/01/29	I2046	2046/03/31	2,500		350	660	4,450
2021/02/05	I2025	2025/01/31	2,000	2 000	330	330	2,250
2021/02/05	I2033	2033/03/28	1,875		275	375	4,180
2021/02/05	I2050	2050/12/31	2,500		1 105	1 205	4,350
2021/02/12	I2029	2029/03/31	1,875	2 000	790	1 385	3,560
2021/02/12	I2038	2038/01/31	2,250		375	545	4,220
2021/02/12	I2046	2046/03/31	2,500		450	865	4,280
2021/02/19	I2029	2029/03/31	1,875	2 000	1 100	1 140	3,440

7. Annexures | continued

ANNEXURE G: SUMMARY OF INFLATION-LINKED BOND AUCTIONS, 2020/21

ISSUE DATE	BOND CODE	MATURITY	COUPON(%)	OFFER AMOUNT (R'M)	ALLOCATED AMOUNT (R'M)	BIDS RECEIVED (R'M)	CLEARING YIELD(%)
2021/02/19	I2033	2033/03/28	1,875		255	290	4,070
2021/02/19	I2050	2050/12/31	2,500		465	570	4,270
2021/02/26	I2033	2033/03/28	1,875	2 000	285	435	3,950
2021/02/26	I2038	2038/01/31	2,250		425	425	4,220
2021/02/26	I2046	2046/03/31	2,500		310	520	4,170
2021/03/05	I2029	2029/03/31	1,875	2 000	185	295	3,580
2021/03/05	I2038	2038/01/31	2,250		45	45	4,180
2021/03/05	I2050	2050/12/31	2,500		150	350	4,300
2021/03/12	I2029	2029/03/31	1,875	2 000	310	310	3,550
2021/03/12	I2033	2033/03/28	1,875		340	570	4,200
2021/03/12	I2046	2046/03/31	2,500		1 025	1 190	4,320
2021/03/19	I2029	2029/03/31	1,875	2 000	215	365	3,530
2021/03/19	I2038	2038/01/31	2,250		680	730	4,290
2021/03/19	I2050	2050/12/31	2,500		865	1 080	4,280
2021/03/26	I2033	2033/03/28	1,875	2000	60	180	3,930
2021/03/26	I2038	2038/01/31	2,250		700	710	4,290
2021/03/26	I2046	2046/03/31	2,500		525	525	4,270

7. Annexures | continued

ANNEXURE H: GLOSSARY

Auction	A process in which participants can submit bids to purchase a given amount of a good or service at a specific price.
Bid-to-cover ratio	A ratio used to express the demand for a particular security during auctions. It is calculated by dividing the total amount of bids received by the total amount of bids accepted.
Benchmark bond	A bond that provides a standard against which the performance of other bonds can be measured. Government bonds are almost always used as benchmark bonds.
Bond	A certificate of debt issued by a government or corporation guaranteeing payment of the original investment plus interest on a specified future date.
Contingent liabilities	A government obligation that will only result in expenditure if a specific event occurs, such as a default by a state-owned company which results in government being called on to meet the obligation.
Coupon (bond)	The periodic interest payment made to bondholders during the life of a bond. Interest is usually paid twice a year.
DMTN	A Domestic Medium-Term Note (DMTN) programme is a debt issuance note programme registered with a securities exchange and continuously offered to investors through a dealer. Notes and bonds can range between 1 and 30 years in maturity. A DMTN programme allows an issuer to tailor its debt issuance to meet its financing needs over time.
GMTN	A Global Medium-Term Note (GMTN) programme is a debt issuance note programme registered with international securities exchanges and continuously offered to investors through a trust. Notes and bonds can range between 1 and 30 years in maturity. A GMTN programme allows a company to tailor its debt issuance to meet its financing needs over time.
Liquidity	Ease of converting an asset into cash.
Perpetual bond	A bond with no maturity date.
Primary dealer	A firm that buys government securities directly from a government with the intention of reselling them to others, thus acting as a market maker for the securities.
Primary listing	The main exchange on which a stock is listed.
Provisions	Liabilities for which the payment date or amount is uncertain. The provisions for multilateral institutions are the unpaid portion of government's subscription to these institutions, payable on request.
Public debt	All money owed at any given time by any branch of government. Also referred to as government debt.

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Refinancing risk	The possibility that a borrower will not be able to refinance by borrowing to repay existing debt.
Secondary market	A market in which an investor purchases a security from another investor rather than from the issuer, subsequent to the original issuance in the primary market. It is also called the aftermarket.
Sterilisation deposit	Operations by central banks to mitigate potentially undesired effects (currency appreciation or inflation) of inbound capital. The South African Reserve Bank "sterilises" excess cash created in the money market when purchasing foreign currency.
STRATE	Share Transactions Totally Electronic (STRATE) is the authorised central securities depository for electronic settlement of financial instruments in South Africa.
Switch programme	A liability management exercise where short-term debt is exchanged for long-term debt. The purpose is to reduce near-term exposure to refinancing risk by exchanging short-term debt for long-term debt.
Tenor	The amount of time left for the redemption of a bond.
Three-legged bond	A bond with three maturities and priced on the middle maturity (second leg); all maturities have the same price. Investors are given the option to split the bond into three maturities two years before the maturity of the first leg.
Yield	A financial return or interest paid to buyers of bonds. The yield takes into account the total of annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.
Yield curve	A graph showing the relationship between the yield on bonds of the same credit quality but different maturity at a given point in time.

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ANNEXURE I: ACRONYMS

CFI	Cooperative financial institution
CPD	Corporation for Public Deposits
DMTN	Domestic Medium-Term Note
ETP	Electronic trading platform
Fitch	Fitch Ratings
FRN	Floating-rate note
GDP	Gross Domestic Product
GMTN	Global Medium-Term Note
IMF	International Monetary Fund
JSE	Johannesburg Stock Exchange
Moody's	Moody's Investors Service
MPC	Monetary Policy Committee
MTBPS	Medium Term Budget Policy Statement
R&I	Rating and Investment Information, Inc.
Repo	Repurchase
RSA	Republic of South Africa
S&P	S&P Global Ratings
SARB	South African Reserve Bank
SOC	State-owned company
STRATE	Share Trading Transactions Totally Electronic
US	United States
WCF	Weighted cost of funding

2019/20
DEBT MANAGEMENT REPORT

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