2021/22 DEBT MANAGEMENT Report

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2030 NDP

STAY SAFE
VACCINATE TO SAVE SOUTH AFRICA

2021/22 DEBT MANAGEMENT Report

RP 235/2022 | **ISBN:** 978-0-621-50539-9
Title: 2021/22 Debt Management Report

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002
Tel: +27 12 315 5757 | **Fax:** +27 12 315 5126
Web: www.treasury.gov.za

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2021/22 DEBT MANAGEMENT Report

CONTENTS

1. FOREWORD 1

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET 3

Listing activity in the primary debt capital market 3

Secondary market activity in South African bonds 6

Electronic trading platform 8

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING 10

Borrowing requirement 10

Domestic short-term borrowing 11

Domestic long-term borrowing 15

Foreign long-term borrowing 26

Interest and redemption payments on long-term loans 27

Government cash balances 28

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS 30

Holdings of domestic marketable government bonds 30

Holdings of retail savings bonds 34

CONTENTS

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS 36

Government debt portfolio 36

Funding portfolio indicators 38

Maturity profile 40

Government maturity profile 41

Sovereign risk assessment 42

6. INVESTOR RELATIONS 45

Investor roadshows 45

Investor relations website 45

Marketing and promotion of RSA Retail Savings Bonds 45

7. ANNEXURES 46

Annexure A: Redemption schedule of Treasury bills, 31 March 2022 46

Annexure B: Yield trends of government fixed-rate bonds, 2021/22 48

Annexure C: Fixed-rate bond yield spreads, 2021/22 51

Annexure D: Summary of 91-day and 182-day Treasury bill auctions, 2020/21 53

Annexure E: Summary of 273-day and 364-day Treasury bill auctions, 2021/22 55

Annexure F: Summary of fixed-rate bond auctions, 2021/22 58

2021/22 DEBT MANAGEMENT Report

Annexure G: Summary of inflation-linked bond auctions, 2021/22 63
Annexure H: Glossary 68
Annexure I: Abbreviations and acronyms 69

TABLES

Table 1: Financing of national government gross borrowing requirement, 2021/22 11
Table 2: Domestic short-term borrowing, 2021/22 12
Table 3: Treasury bill auction under-allotments, 2021/22 14
Table 4: Treasury bill auction analysis, 2021/22 14
Table 5: Interest rates on retail savings bonds, 2021/22 25
Table 6: Summary of financial cooperatives retail savings bonds, 2021/22 26
Table 7: Borrowing from international finance institutions 27
Table 8: National government's cash balances as at 31 March 2021 and 31 March 2022 29
Table 9: US dollar flows on foreign exchange deposits, 2021/22 29
Table 10: Total government debt, 2021/22 36
Table 11: Composition of domestic debt by instrument, 2020/21 to 2021/22 37
Table 12: Debt-service costs, 2021/22 38
Table 13: Funding benchmark indicators 39
Table 14: South Africa's solicited credit ratings, 2021/22 43

CONTENTS

FIGURES

Figure 1: Primary listing of debt securities on the JSE, 31 March 2022 3
Figure 2: Composition of primary listings by instrument, 31 March 2022 4
Figure 3: Sectoral composition of primary listings of debt securities on the JSE, 31 March 2022 5
Figure 4: South African bond market turnover, 2003-2021 7
Figure 5: Government bond turnover ratios, 31 December 2021 8
Figure 6: Electronic trading platform daily volumes and trades, January 2021 to December 2021 9
Figure 7: Repo, Treasury bill and subscription rates, 2021/22 13
Figure 8: Issuance of fixed-rate bonds (excluding non-competitive bid auctions), 2021/2022 16
Figure 9: Yield curve movement of fixed-rate bonds, 2021/22 17
Figure 10: Primary dealer participation in fixed-rate bond auctions, 2021/22 19
Figure 11: Non-competitive bond auction performance per bond, 2021/22 20
Figure 12: Issuance of inflation-linked bonds, 2021/22 21
Figure 13: Yield curve movement of inflation-linked bonds, 2021/22 22

2021/22 DEBT MANAGEMENT Report

Figure 14: Scrip lending facility, 2020/21 23
Figure 15: Monthly retail savings bond deposits including reinvestments, 2021/22 24
Figure 16: Interest and redemption payments, 2021/22 28
Figure 17: Historical government bond holdings, 31 December 2011 to 31 March 2022 30
Figure 18: Foreign investor holdings of government bonds, 31 December 2011 to 31 March 2022 31
Figure 19: Holdings of domestic fixed-rate and inflation-linked bonds, 31 March 2022 32
Figure 20: Holdings of domestic fixed-rate bonds by instrument, 31 March 2022 33
Figure 21: Holdings of domestic inflation-linked bonds by instrument, 31 March 2022 34
Figure 22: Retail investor demographics, 31 March 2022 35
Figure 23: Domestic bonds growth rate, 31 March 2022 40
Figure 24: Maturity profile of government debt, 31 March 2022 41
Figure 25: History of South Africa's long-term foreign currency credit ratings, 1994-2022 25

1. FOREWORD

Mr Ismail Momoniat
Acting Director-General

The period under review (2021/22) ended with the materialisation of multiple risks that resulted in elevated risk-off sentiment and aggressive capital outflows from emerging markets. These included geopolitical risks that are typically relegated to the bottom of global investors' minds. The US Federal Reserve's incorrect assessment of inflation in previous years led to heightened global volatility, wiping out any gains in most asset classes while being a boon for commodities.

The calendar year began on an ominous note with US inflation at 7.5 per cent in January 2022, its highest level since 1982. This jolted financial markets, which saw a sharp sell-off and market participants beginning to expect larger than previously expected rate hikes. Commodity prices started the year positively – led by gains in zinc, copper, nickel, and oil – as demand continued to outstrip supply.

Locally, real GDP growth for 2021 was 4.9 per cent as the economy rebounded from COVID-19 lockdown restrictions, while the economy was forecast to grow at 2.1 per cent in 2022. The unemployment rate increased to a record 35.3 per cent in the fourth quarter of 2021, with decreases in employment observed mainly in the manufacturing and construction sectors. To address immediate needs and plan for the future, government extended the social relief of distress grant and plans to spend 59.4 per cent of non-interest expenditure on addressing poverty and unemployment over the medium term. The annual consumer price index (CPI) increased to its highest level in four years (5.93 per cent), prompting the South African Reserve Bank (SARB) to increase the repurchase (repo) rate by 25 basis points to 4 per cent in January. The repo rate was increased by another 25 basis points in March 2022.

Ratings agencies remained concerned about South Africa's increasing debt levels and possible breaches in expenditure ceilings. However, strong fiscal performance in 2021 resulted in positive changes in ratings outlooks. In December 2021, Fitch affirmed its local and foreign currency rating at BB- and changed its

1. FOREWORD

outlook from "negative" to "stable". The main risks to the ratings are the deterioration of economic growth, larger support to state entities, increasing unemployment and large capital outflows that may detract from government's fiscal consolidation plans.

The 2022 calendar year began with emerging markets on the receiving end of positive carry trade as global fund managers sought exposure to currencies that produce commodities. South Africa benefited from this despite the volatility that characterised 2021. This optimism was short-lived as it became clear that borrowing costs would increase faster than expected. Russia began moving troops to the Ukrainian border, verifying US intelligence reports that had previously been ignored. Within a week of the invasion, local bond yields weakened by 90 basis points while foreign holders for March 2022 decreased to 28.6 per cent of total holdings, from 29.1 per cent in the previous month.

Despite this sharp sell-off and volatility in 2021, government was able to fund its borrowing requirement of R388 billion through domestic long-term loans of R290 billion, foreign issuances of R80 billion, the use of cash balances amounting to R74 billion and net issuance in short-term loans of R7.9 billion. Issuance continued to be concentrated at the front end of the curve to reduce the weighted cost, while switches were used to reduce refinancing risk. Foreign loans were raised primarily through non-marketable loans from multilateral development banks. A planned foreign market issuance was delayed to 2022/23 owing to poor market conditions.

Government is on track to reduce its debt-service costs as a result of its fiscal strength and its effort to consolidate debt. Debt-service costs are forecast to average 4.9 per cent over the medium term. The borrowing requirement is expected to start moderating in 2024/25. Government is committed to ensuring debt sustainability by managing debt in a way that minimises the impact on the stock of debt and reduces the cost of borrowing.

Mr Ismail Momoniat
Acting Director-General

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

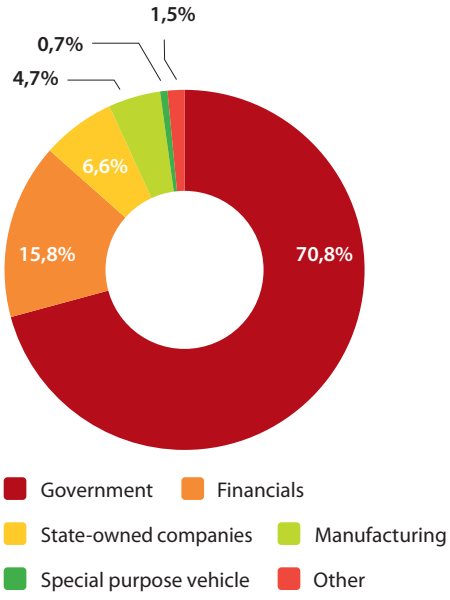
LISTING ACTIVITY IN THE PRIMARY DEBT CAPITAL MARKET

As at 31 March 2022, the total nominal amount outstanding for debt instruments listed on the Johannesburg Stock Exchange (JSE) stood at R4.3 trillion. This was R548.9 billion higher than the R3.8 trillion as at 31 March 2021. 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.

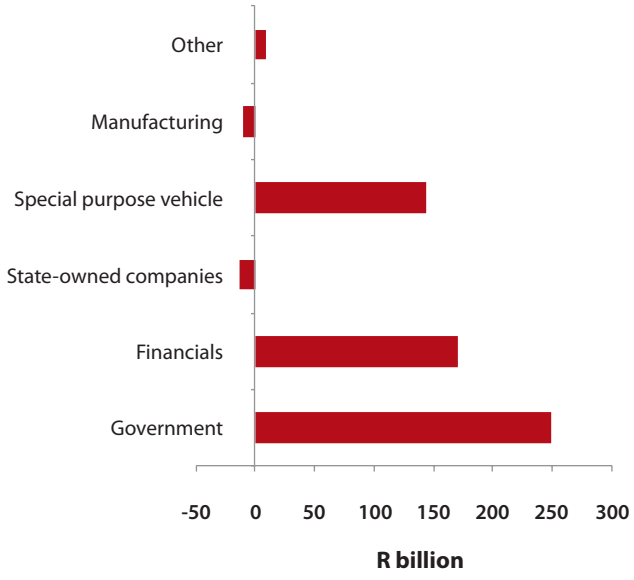
However, this was R13.7 billion lower than the R562.6 billion increase in 2020/21. Municipalities, state-owned companies, and the manufacturing sector were the largest contributors to the lower increase in 2021/22, with municipalities reducing their outstanding amount by R18.3 billion, state-owned companies reducing theirs by R14 billion and the manufacturing sector reducing its outstanding amount by R10.9 billion. Government increased its outstanding amount by R249.6 billion, financial institutions by R170 billion and special-purpose vehicles (SPVs) by R144.5 billion.

Figure 1: Primary listing of debt securities on the JSE, 31 March 2022

Primary listing by sector



Net change in listing nominal value by sector

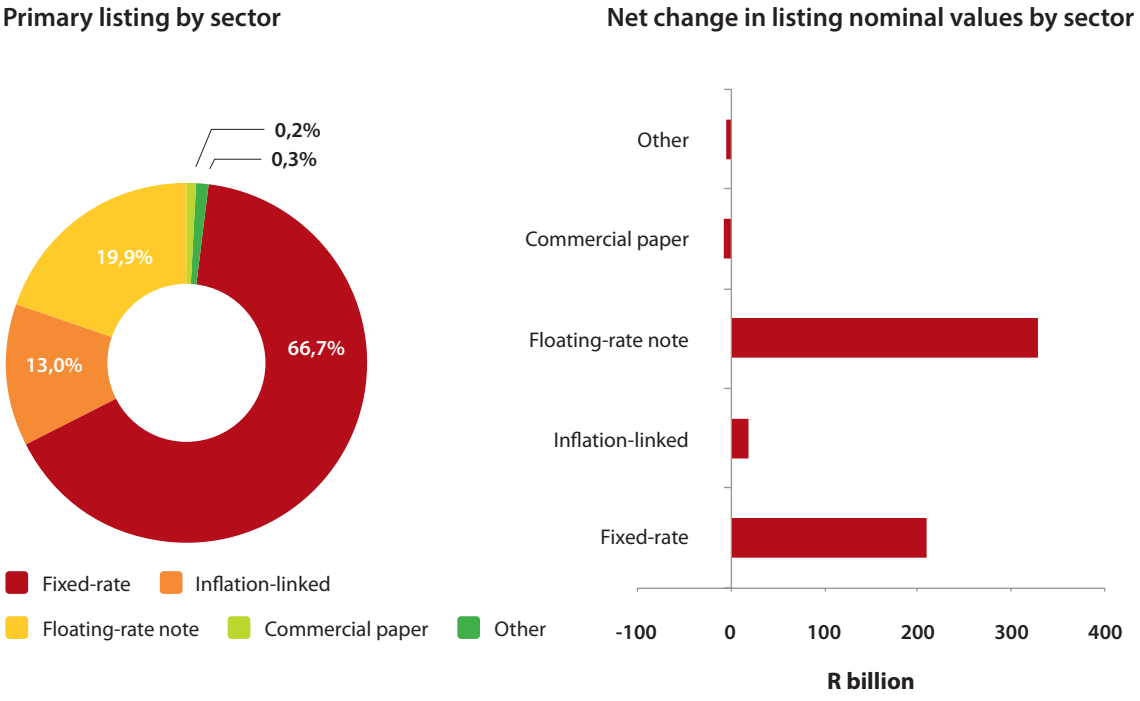


Sources: JSE, National Treasury

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

As at 31 March 2022, government debt accounted for about 70.8 per cent of listed debt, 3.7 per cent lower than the 74.5 per cent recorded on 31 March 2021. The next-largest sectors were financials with listings of 15.8 per cent and state-owned companies with listings of 6.6 per cent as at 31 March 2022.

Figure 2: Composition of primary listings by instrument, 31 March 2022

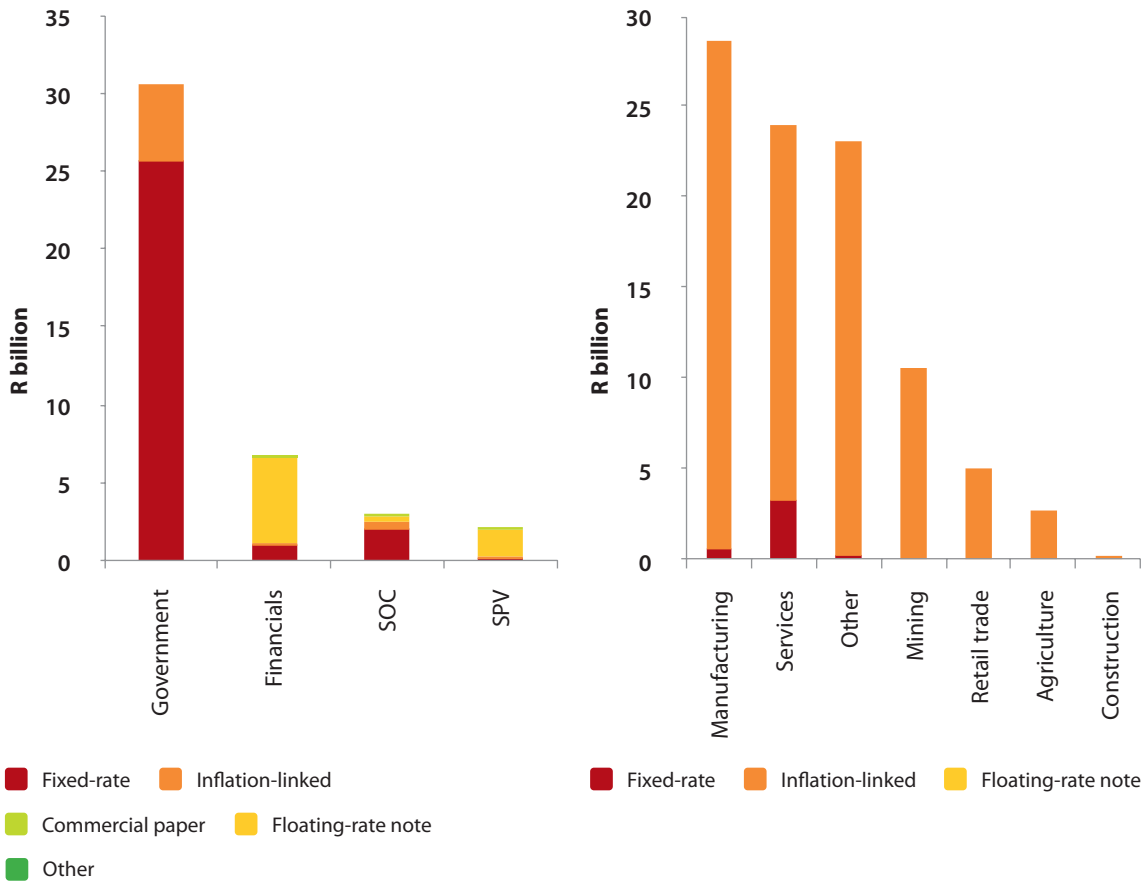


Sources: JSE, National Treasury

By a considerable margin, fixed-rate bonds comprised the largest part of total primary listings. This was mainly because government, the largest issuer of listed debt, mostly issues fixed-rate bonds. As at 31 March 2022, fixed-rate instruments accounted for 66.7 per cent of total listed debt, lower than the 70.8 per cent recorded on 31 March 2021. As shown in Figure 2, floating-rate notes are the second-most issued instrument, accounting for 19.9 per cent of primary listings. In nominal terms, floating-rate notes had the highest increase, approximately R329.4 billion, followed by fixed-rate bonds, which increased by R211.3 billion. Inflation-linked bonds were the most issued instrument, accounting for 13 per cent of the primary listings and a net year-on-year increase of R19 billion.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 3: Sectoral composition of primary listings of debt securities on the JSE, 31 March 2022



Sources: JSE, National Treasury

Figure 3 illustrates the preference for issuing floating-rate notes outside of government and state-owned companies. Floating-rate notes provide a reliable source of funding while investor demand is high, and the credit spread increase in their portfolios is seen as having the potential to generate higher returns during higher interest rate cycles.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

SECONDARY MARKET ACTIVITY IN SOUTH AFRICAN BONDS[1]

There was a slight recovery in secondary market trading activity in 2021, resulting in trading volumes increasing from R31.7 trillion in December 2020 to R33.9 trillion as at 31 December 2021.

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 2021, the repo market accounted for 71 per cent of total trading volumes in the interest rate market, representing a 5.4 per cent year-on-year increase. Standard trades accounted for 28.3 per cent of total trades in the secondary market, with a decrease of R945.5 billion, while other trades accounted for 0.7 per cent, decreasing by R93.4 billion. Repo trades, however, increased by R3.3 trillion.

Repo market

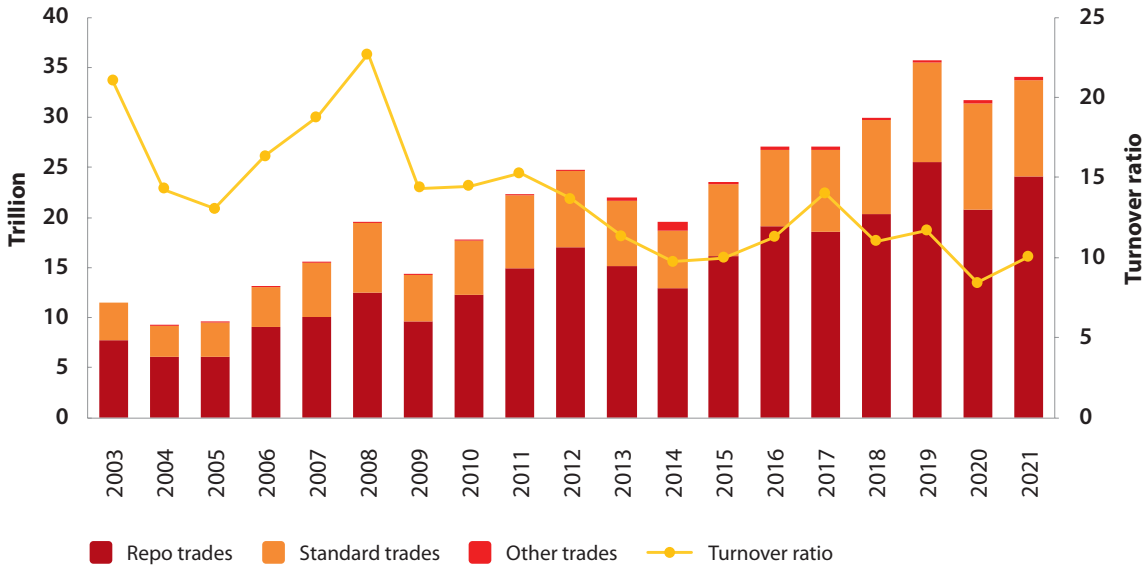
Repos are classified as money-market instruments, normally used to raise short-term capital. For the party selling the asset (usually fixed-income securities) and agreeing to repurchase it in the future, it is a repo; for the party on the other end of the transaction, buying the security and agreeing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

Source: International Capital Market Association

1 Due to the availability of the source data, information provided in this section is as at 31 December 2021 and not 31 March 2022.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 4: South African bond market turnover, 2003-2021



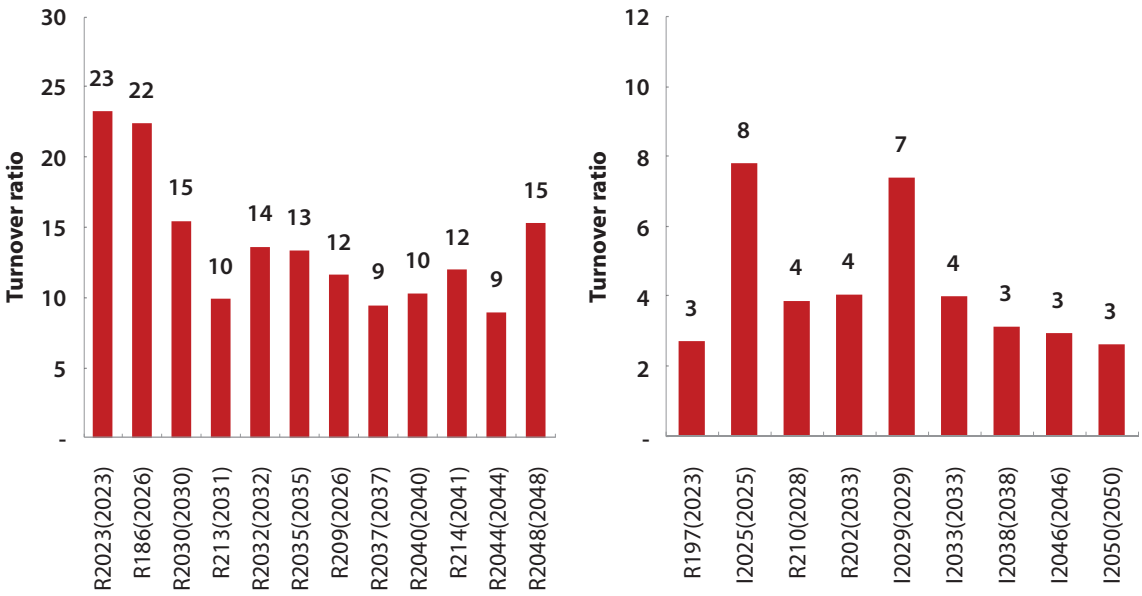
Sources: JSE, National Treasury

The turnover ratio measures a bond market's liquidity and is used to assess which bonds are 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.

As shown in Figure 5, the R2023 bond (7.75%; 2023) had the highest turnover ratio of 23 times, followed by the R186 bond (10.5%; 2025/26/27) with a turnover ratio of 22 times. The high turnover on the R2023 bond can be attributed to the lower amount outstanding than the longer maturity fixed-rate bonds. Contributing factors are that the bond is nearing its maturity and has been a source bond in government's switch auction programme. On the other hand, the R186 bond has the highest turnover (R8.2 trillion), followed by the R2048 bond (8.75%; 2047/48/49) with a turnover of R5.2 trillion, leading to higher turnover ratios.

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

Figure 5: Government bond turnover ratios, 31 December 2021



Sources: JSE, National Treasury

Among the inflation-linked bonds, the I2025 bond (2%; 2025) had the highest turnover ratio of eight times during 2021. 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.

ELECTRONIC TRADING PLATFORM

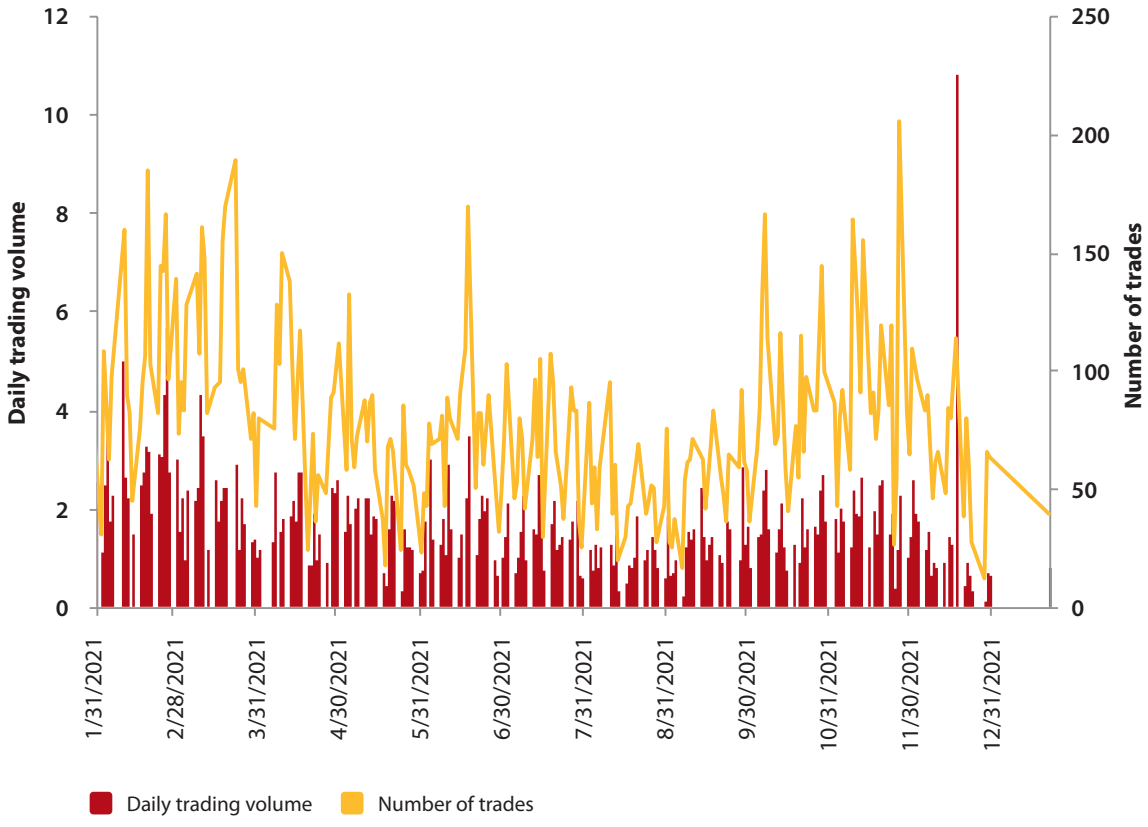
National Treasury, along with a multi-stakeholder group comprising the JSE, Strate, primary dealers, the SARB and the Financial Sector Conduct Authority, with technical assistance from the World Bank, launched the electronic trading platform (ETP) for government bonds in July 2018. The aim of the ETP 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: R186 (10.25%; 2025/26/27), R2030 (8%; 2030), R2035 (8.875%; 2035); R2040 (9%; 2040) and R2048 (8.75%; 2047/48/49). They are also obligated to quote firm and executable current bids, and ask prices/yields on the platform in

2. THE SOUTH AFRICAN DEBT CAPITAL MARKET

specified amounts per maturity basket and specified spreads. National Treasury incentivises primary dealer participation on 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 2021 to December 2021



Source: MTS

In 2021, the daily volume traded remained unchanged at R1.7 billion. However, the average number of trades per day increased from an average of 40 in 2020 to 77 in 2021. As expected, there were fewer trades in December 2021 because of the holiday season.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

BORROWING REQUIREMENT

Government's gross borrowing for 2021/22 improved during the COVID-19 pandemic, attributable to higher-than-anticipated revenue collection and lower spending. Consequently, government's gross borrowing requirement – the budget deficit including maturing loans – decreased significantly, from R547.9 billion in the 2021 Budget to a preliminary outcome of R388.6 billion.

To finance the gross borrowing requirement, government adjusted its financing strategy to lower the impact on debt and debt-service costs. This included reducing the financing of the gross borrowing requirement by R64 billion, arising from a bumper revenue collection in 2021/22 (R14 billion was effected on Treasury bills and R50 billion on domestic bonds). The revised 2022 Budget showed that Treasury bill financing further decreased by R1.8 billion to R6.8 billion, and domestic bond funding decreased by a further R44.7 billion to R285.3 billion. Funding from international financial institutions was revised upwards, from the US$3 billion projected in the 2021 Budget to a projected US$5.3 billion in the 2022 Budget.

Table 1 shows the preliminary outcome of financing government's gross borrowing requirement. This was financed through a net reduction in domestic short-term loans of R8 billion, domestic long-term loans of R290.3 billion and foreign loans of R31.3 billion. Cash and other balances of R74.8 billion were used to finance part of the borrowing requirement during the year.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 1: Financing of national government gross borrowing requirement, 2021/22

R million	Budget	Revised budget	Preliminary outcome
Main budget balance	-482 580	-346 886	-323 134
Redemptions	-65 280	-65 137	-65 292
Domestic long-term loans	-60 815	-61 218	-61 373
Foreign loans	-4 465	-3 919	-3 919
Borrowing requirement (gross)	-547 860	-412 023	-388 426
Financing			
Domestic short-term loans	9 000	-6 806	-7 955
Treasury bills (net)	9 000	-6 806	-8 007
Corporation for Public Deposits	–	–	52
Domestic long-term loans	380 000	285 300	290 295
Market loans	380 000	285 784	290 657
Loans issued for switches	–	-484	-362
Foreign loans	46 260	80 632	31 316
Market loans	46 260	80 632	31 316
Loans issued for switches	–	–	–
Change in cash and other balances[1]	112 600	52 897	74 770
Total financing	547 860	412 023	388 426

1. A positive value indicates that cash is used to finance part of the borrowing requirement.

Source: National Treasury

DOMESTIC SHORT-TERM BORROWING

Domestic short-term borrowing comprises Treasury bill issuance and borrowing from the Corporation for Public Deposits. National Treasury conducts weekly Treasury bill auctions and borrows from the Corporation to meet its funding requirements and alleviate short-term liquidity pressures. Treasury bill net issuance was budgeted at R9 billion in the 2021 Budget. However, better-than-anticipated tax revenue collection in 2020/21 and the first quarter of 2021/22 led to a downward adjustment in the weekly Treasury bill auction level by R830 million, from R12.5 billion to R11.7 billion from May 2021.

Regardless of this reduction in weekly issuance, Treasury bill funding remained under pressure in the wake of future inflation expectations and the higher short-term interest rate trajectory. The pressure was highlighted by weak demand, and various under-subscriptions and under-allotments during the year. Treasury bill issuance closed 2021/22 with a shortfall of R1.2 billion relative to the revised budget figure of R6.8 billion.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

The net issuance in Treasury bills was more pronounced on the 182-day and 364-day instruments. Details of the 2021/22 weekly Treasury bill auctions, including the allocated amount for each maturity, can be found in Annexure D and Annexure E.

Table 2: Domestic short-term borrowing, 2021/22

R million	Opening balance	Net change	Closing balance
Corporation for Public Deposits	70	2	72
Treasury bills	455 971	-8 007	447 964
91-day	15 335	-6 651	8 684
182-day	70 981	1 826	72 807
273-day	154 146	-4 782	149 364
364-day	215 509	1 600	217 109
Total	456 041	-8 005	448 036

Source: National Treasury

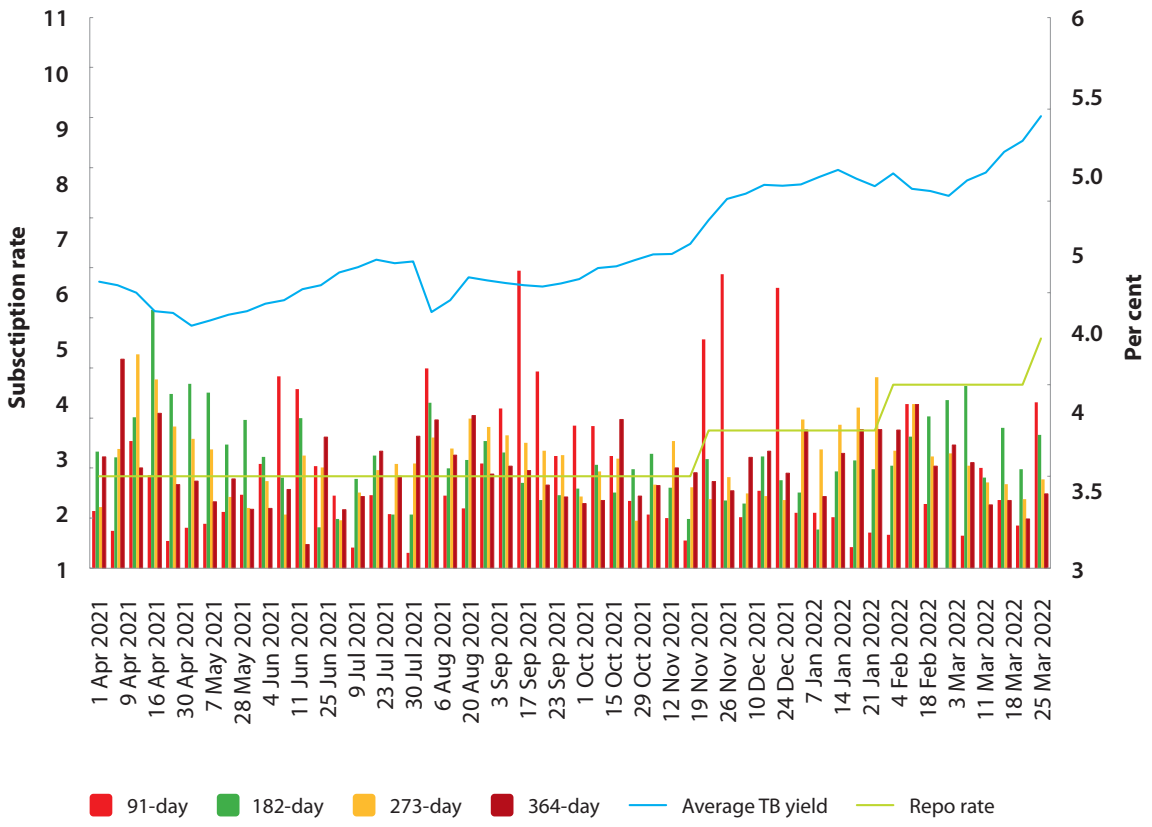
Treasury bill auction performance

Treasury bill auction performance remained weak and volatile during 2021/22 owing to existing supply levels and uncertainty around the direction of the monetary policy rate. Rising inflation, both globally and domestically, led to the SARB's hawkish stance on the monetary policy rate and curbing inflation to within the target range of between 3 per cent and 6 per cent.

The repo rate increased by 75 basis points between November 2021 and March 2022. An upward trend was subsequently observed in the weighted Treasury bill rate, averaging 90 basis points in 2021/22 (see Figure 7).

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 7: Repo, Treasury bill and subscription rates, 2021/22



Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 3 shows the gross issuance and total under-allotments of Treasury bills. As a result of market volatility, R6.2 billion (about 1 per cent) of the total gross issuance was not allotted.

Table 3: Treasury bill auction under-allotments, 2021/22

R million	Gross issuance[1]	Under-allotment	Percentage of gross issuance underalloted
91-day	45 132	-8 668	*-19,2*
182-day	145 029	3 189	*2,2*
273-day	199 904	1 164	*0,6*
364-day	217 108	-1 892	*-0,9*
Total	**607 173**	**-6 207**	*-1,0*

1. Gross issuance takes into account the total amount of issuance rolled-over to the Treasury bill portfolio from 2020/21

Source: National Treasury

Table 4 provides 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 2.1 times oversubscribed. However, most of the Treasury bill maturities were undersubscribed in several weekly auctions, with the 91-day maturity having the lowest subscription of 0.0 times (no bids) at a single auction, followed by the 364-day maturity at 0.5 times.

Table 4: Treasury bill auction analysis, 2021/22

	91-day	182-day	273-day	364-day
Bid-to-cover-ratios (times)				
Highest	5,9	5,2	4,3	4,2
Lowest	0,0	0,8	1,0	0,5
Average	2,0	2,2	2,2	2,0
Effective yields (%)				
Highest	4,4	5,4	6,0	6,1
Lowest	3,5	4,1	4,6	4,7
Average	3,9	4,7	5,2	5,3

Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Corporation for Public Deposits

The Corporation for Public Deposits is a wholly owned subsidiary of the SARB. Its main function is to invest surplus cash received from provincial governments and selected state-owned companies. 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 corporation for amounts up to predetermined limits.

Government used the facility only to perform its intra-day roll-up in 2021/22. The intra-day roll-up is a standing instruction between National Treasury and the SARB to maintain government's main account with the reserve bank at a zero balance. There were no borrowings from the Corporation for Public Deposits in 2021/22.

DOMESTIC LONG-TERM BORROWING

Domestic long-term borrowing comprises 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 predetermined auction calendar. 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 and the RSA Retail Savings Bonds website. In 2021/22, a total nominal amount of R307.2 billion was issued in domestic long-term bonds (excluding RSA Retail Savings Bonds).

Fixed-rate bonds

During 2021/22, a total nominal amount of R255.3 billion was issued in fixed-rate bonds. Of this, R196.5 billion was issued in the 49 weekly competitive bond auctions, while the remaining R58.8 billion was raised through non-competitive auctions. As a result of higher-than-expected revenue collection, which lowered the gross borrowing requirement, weekly bond auctions were decreased by R1.5 billion and R500 million in 2021. This brought the weekly fixed-rate bond auction levels to R5.1 billion for 2021/22. Non-competitive auctions were decreased from 100 per cent to 50 per cent of the weekly fixed-rate bond auctions.

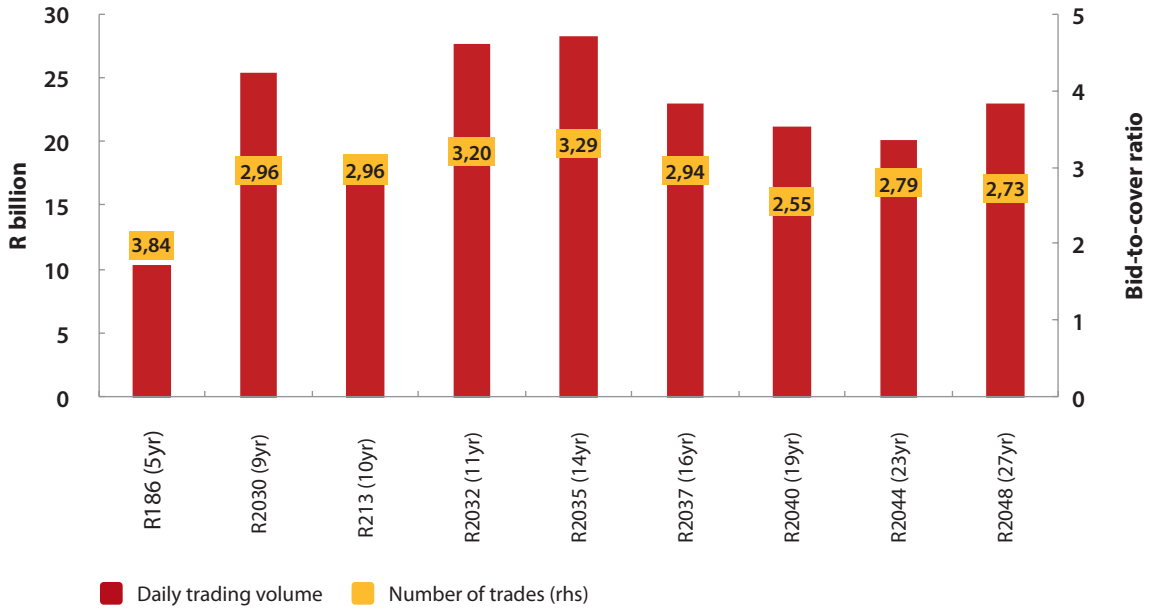
Owing to the volatility caused by the COVID-19 pandemic, issuances were mostly concentrated at the short end of the curve: 55.6 per cent of the issuances were between the two-year and 14-year maturities. As a

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

result of the low cash prices on the R209 bond (6.25%; 2036) and R214 bond (6.5%; 2041), these bonds were not issued in 2021/22.

The R2035 bond (8.88%; 2035) was the highest issued bond for the year with R28.2 billion, followed by the R2032 bond (8.25%; 2032) with R27.6 billion. National Treasury decided to stop issuing the R2023 bond (7.75%; 2023) as it was maturing in 2023. The R186 bond (10.5%; 2025/26/27) was also the least-issued bond as it is approaching maturity. The average bid-to-cover ratio for 2021/22 was three times.

Figure 8: Issuance of fixed-rate bonds (excluding non-competitive bid auctions), 2021/2022



Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Yields curve movement

At the beginning of 2021/22, financial asset prices were recovering from the second wave of the COVID-19 pandemic, although emerging markets were still affected by volatility. The market battled with rising treasury yields in the US and other major economies as they continued to recover from the impact of the pandemic.

The volatile environment continued into the second half of the year because of uncertainties about inflation in the US, underscored by surging energy prices, global supply problems and the inability of central banks to convince the market that the rise in prices was temporary, resulting in many removing their bond-buying programmes. The SARB announced rate hikes against the backdrop of higher inflation and a host of local issues with long-term effects on the economy, including load shedding.

The SARB's intervention resulted in the strengthening of the curve significantly after these developments. On average, across all fixed-rate bonds, the curve strengthened by 38 basis points from 1 April 2021 to 31 March 2022.

Figure 9: Yield curve movement of fixed-rate bonds, 2021/22

Sources: JSE, National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Primary dealers

The primary dealer panel is a group 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, who are obliged to adhere to certain terms and conditions that can be found on National Treasury's investor relations website ***(http://investor.treasury.gov.za).*** Below are the banks on National Treasury's primary dealer panel:

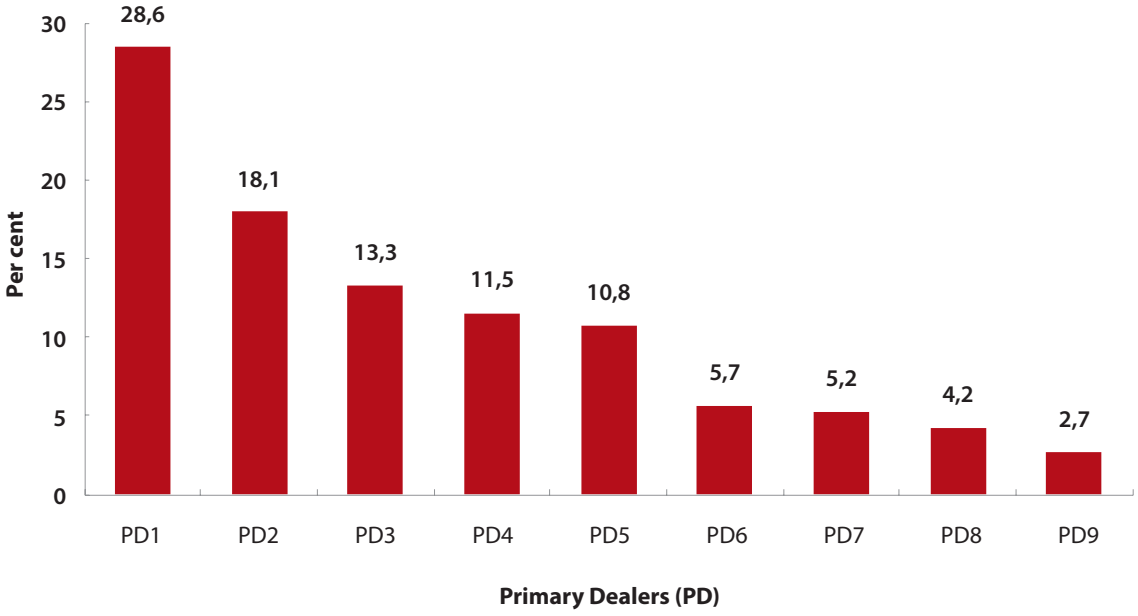
- ABSA
- Citibank
- Deutsche Bank
- FirstRand Bank
- HSBC
- Investec
- JPMorgan Chase
- Nedbank
- Standard Bank

Primary dealer performance

Government's primary dealer panel comprises 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 46.7 per cent of the amount in the auctions conducted during the year.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 10: Primary dealer participation in fixed-rate bond auctions, 2021/22



Source: National Treasury

Non-competitive bid auction performance

Non-competitive bid auctions

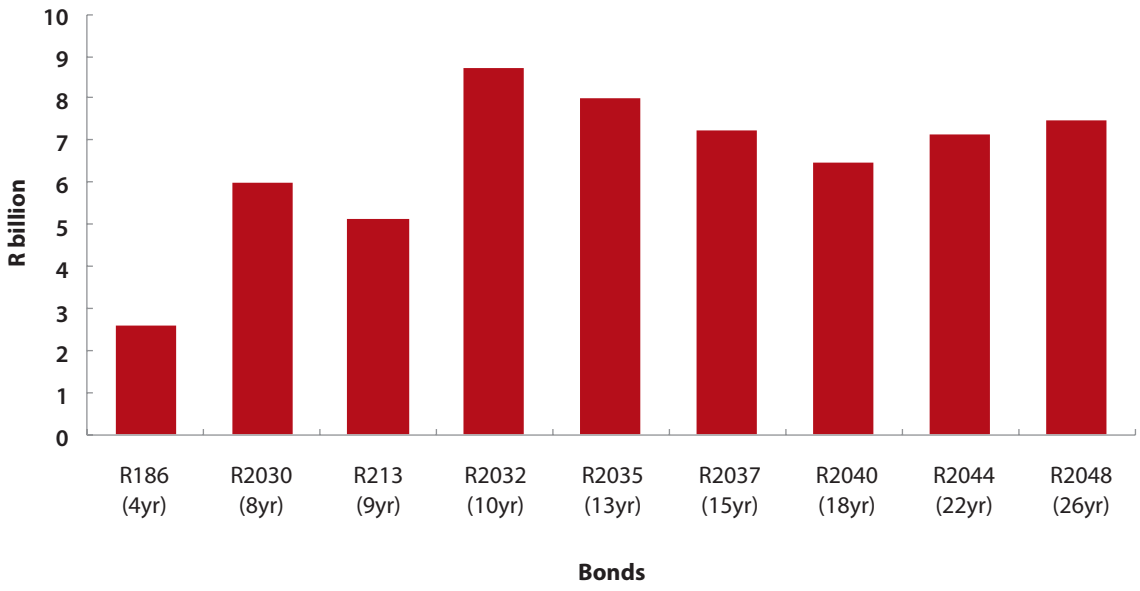
Primary dealers are entitled to take up an additional 50 per cent of the successful allocation amount at the same yield at which the fixed-rate competitive auction is settled. The non-competitive auction window is open for 48 hours immediately after the auction. The 50 per cent is split between ETP (30 per cent) and primary auctions (20 per cent). As a result of higher-than-expected revenue collection in 2021/22, which lowered the gross borrowing requirement, non-competitive bid auction allocations were decreased from 100 per cent to 50 per cent from April 2021 to March 2022.

A total of R58.8 billion was raised through the issuance of the fixed-rate bond at non-competitive auctions. The R2032 bond (8.25%; 2032) and R2035 bond (8.88%; 2035) were the most in-demand bonds of 2021/22, accounting for 28.5 per cent of the total non-competitive take-up by primary dealers. The R2048 bond (8.75%; 2048)

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

had the third-highest demand with a take-up of 12.7 per cent. The R186 bond (10.5%; 2025/26/27) and R213 bond (7%; 2031) had the lowest non-competitive take-up in the fixed-rate bond auctions as a result of limited issuance.

Figure 11: Non-competitive bond auction performance per bond, 2021/22



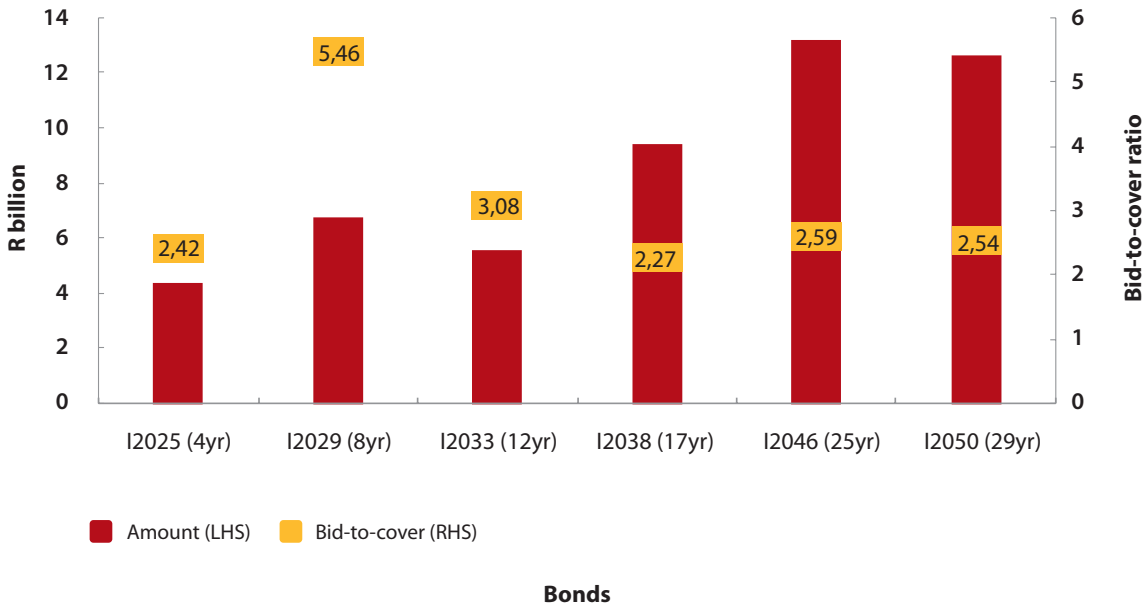
Source: National Treasury

Inflation-linked bonds

A nominal amount of R51.9 billion was issued in the 48 inflation-linked bond auctions held in 2021/22, with an average bid-to-cover ratio of 2.3. Inflation-linked bond auction levels decreased by R600 million in April 2021. With a nominal amount of R13.2 billion, the I2046 bond (2.5%; 2046) was the most issued, followed by the I2050 bond (2.5%; 2050) with a total issuance of R12.6 billion. The R2025 bond (2%; 2025), with a nominal amount of R4.3 billion, was the least issued. At 5.46, the I2029 bond (1.875%; 2029) had the highest bid-to-cover ratio, followed by the I2033 bond (1.875%; 2033) at 3.08. The I2038 bond (2.25%; 2038) had the lowest bid-to-cover ratio of 2.27.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 12: Issuance of inflation-linked bonds, 2021/22



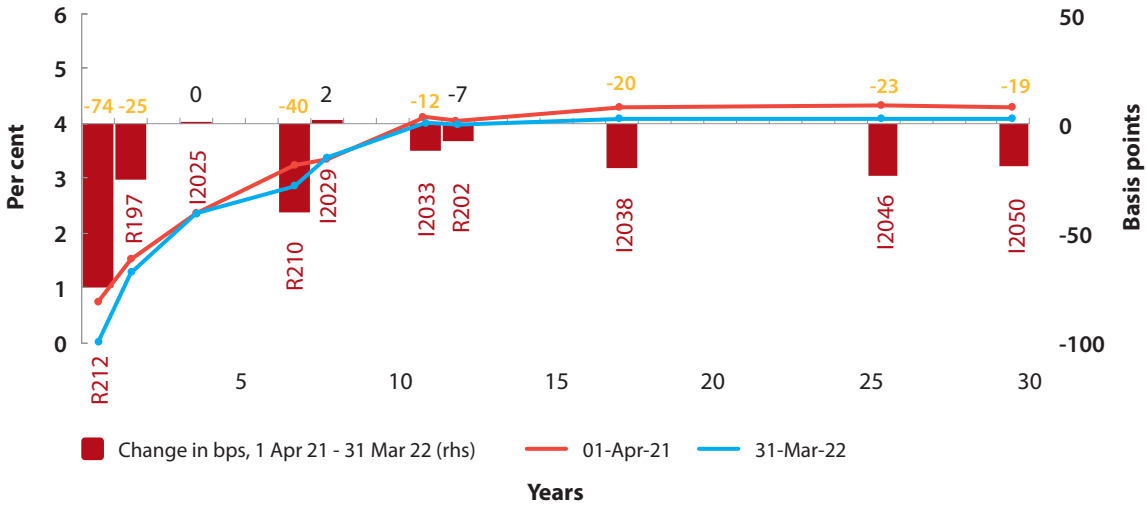
Source: National Treasury

Real yields movement

As with the yield curve for fixed-rate bonds, the curve for inflation-linked bonds weakened at the beginning of the year but strengthened later on, moving in tandem with fixed-rate bonds. Between April 2021 and March 2022, the curve strengthened by an average of 22 basis points.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 13: Yield curve movement of inflation-linked bonds, 2021/22



Sources: JSE, National Treasury

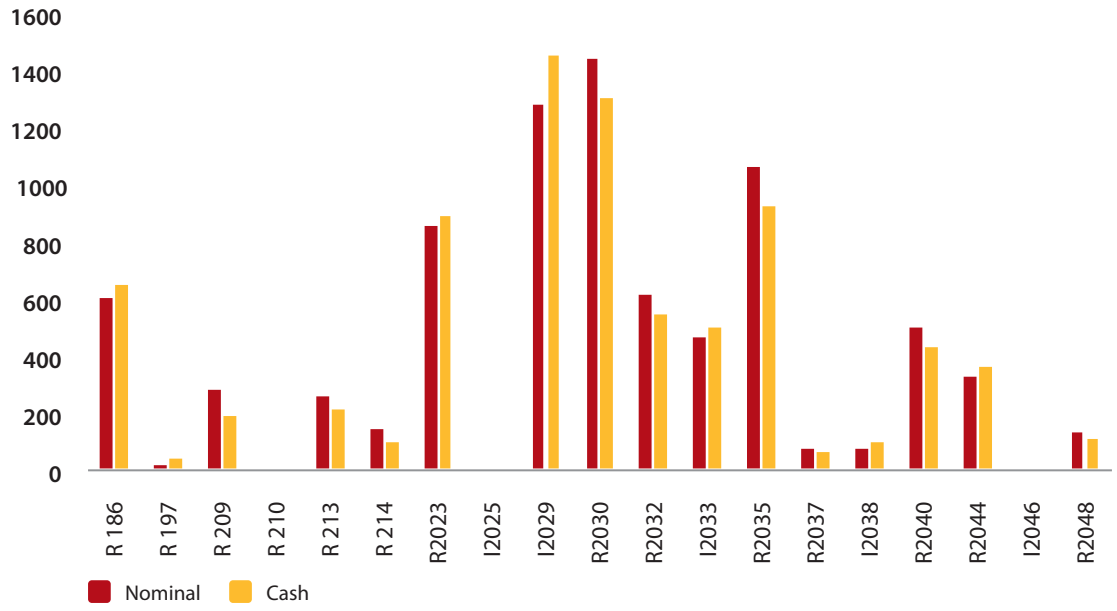
Scrip lending facility

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

Compared to 2020/21, there was an increase in demand for the facility in 2021/22. A nominal amount of R7.7 billion was taken, representing a 48 per cent increase from the R3.7 billion taken in 2020/21. Figure 14 provides a breakdown of the use of the scrip lending facility per bond. Most of the demand was on the inflation-linked I2029 bond (1.875%; 2029), followed by both the fixed-rate bonds, R2030 (8%; 2030) and R2023 (7.75%; 2023).

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 14: Scrip lending facility, 2021/22



Source: National Treasury

Bond switch auction programme

Government's bond switch auction programme has been successful in managing its refinancing risk during a period of protracted weak economic growth. Since the start of the programme in February 2015, R254.5 billion has been switched out of the following bonds: R203 (8.25%; 2017), R204 (8%; 2018), R207 (7.25%; 2020), R208 (6.75%; 2021) and R2023 (7.75%; 2023).

The bond switch programme was reviewed and reintroduced in 2021/22. 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 on to National Treasury's investor relations website. A total of 13 switch auctions were conducted in 2021/22, with R48 billion switched out of the R2023 bond.

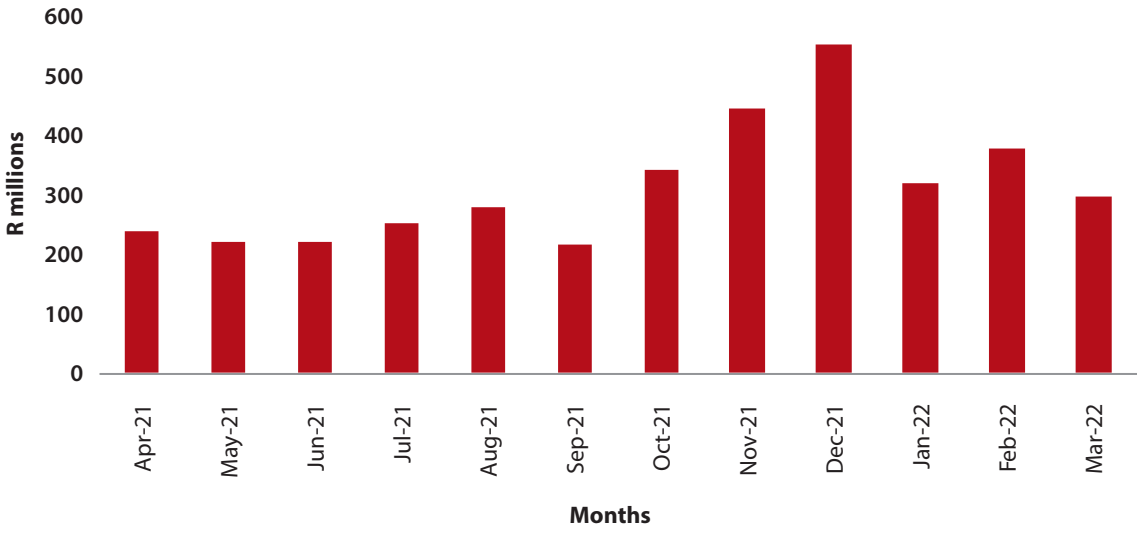
3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Retail savings bonds

The objective of retail savings bonds is to diversify government's long-term funding sources and promote a culture of household savings. As at 31 March 2022, the total outstanding amount increased by R2.3 billion in 2021/22, from R8.6 billion to R10.9 billion. As a result of an average interest rate of 7.43 per cent for the period under review and an ongoing marketing strategy that included increased digital and social media presence, retail savings bonds managed to exceed the target of R2.5 billion by R600 million as at 31 March 2022.

In addition to conventional retail savings bonds, as at 31 March 2022, the Government Employees Housing Scheme's internal-linked savings facility had received R2.1 billion.

Figure 15: Monthly retail savings bond deposits including reinvestments, 2021/22



Source: National Treasury

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 5 shows the retail savings bond interest rates for 2021/22. The rates are published on the RSA Retail Savings Bonds website (www.rsaretailbonds.gov.za).

Table 5: Interest rates on retail savings bonds, 2021/22

Date	1-year	2-year	3-year	5-year	10-year
Fixed-rate					
30-Apr-21		6,25%	7,00%	8,50%	
31-Mar-22		6,00%	7,75%	9,25%	
Inflation-linked		0,25%	-0,75%	-0,75%	
30-Apr-21			2,50%	3,75%	4,75%
31-Mar-22			3,50%	3,75%	7,00%
Financial cooperatives			-1,00%	0,00%	-2,25%
30-Apr-21	4,86%	6,25%	7,00%		
31-Mar-22	5,57%	7,00%	7,75%		
	-0,71%	-0,75%	-0,75%		

Source: National Treasury

Retail savings top-up bonds

The top-up bond pilot was launched on 26 July 2021 exclusively for National Treasury employees as part of the Savings Month initiative. The purpose of the pilot was to test and assess the stability of the new back-office system over six months. During this time, 51 employees invested a total of R361 100. Although the retail bonds directorate anticipated higher participation from staff, no major problems were encountered during the pilot, which was deemed a success.

Financial cooperatives retail savings bonds

National Treasury launched financial cooperatives retail savings bonds in October 2011 to provide a secure savings instrument that cooperative financial institutions (CFIs) and cooperative banks could invest in. The bonds offer competitive interest rates, calculated biannually. Additional features consider the uniqueness of the financial cooperatives model. Through top-ups, the model allows for the preservation of capital and early withdrawals with no fees, charges or penalties. The CFIs that continue to save in retail savings bonds have accrued notable interest on their capital amounts. The Cooperative Banks Development Agency encourages CFIs to invest in this investment vehicle as it is risk-free and provides guaranteed financial growth.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 6 shows that, as at 31 March 2022, R13.1 million was invested in CFI retail savings bonds through 27 investments.

Table 6: Summary of financial cooperatives retail savings bonds, 2021/22

Bond	Average rate	Capital	Investments
FC01	4,99%	1 086 996,81	3
FC02	3,00%	1 223 534,13	1
FC03	5,56%	10 747 791,27	23
		13 058 322,21	27

Source: National Treasury

Interest rates on fixed-rate, inflation-linked and financial cooperatives retail savings bonds are derived from the respective government bond and Treasury bill yields. The interest rates for the fixed-rate and financial cooperatives retail savings bonds are reviewed monthly and those for the inflation-linked retail savings bonds semi-annually. During 2021/22, fixed-rate retail savings bond rates decreased by 175 basis points for two-year terms, 225 basis points for three-year terms and 350 basis points for five-year terms. In the case of inflation-linked retail savings bonds, the two-year term decreased by 100 basis points, and there was no net movement for the three-year and the five-year terms, which increased by 100 basis points.

Foreign long-term borrowing

To meet its foreign-currency commitments, government issues debt in global capital markets to set benchmarks and diversify funding sources. It was envisaged that US$3 billion was to be issued in 2021/22. However, following the intensified geopolitical crisis that arose on 24 February 2022 when Russia invaded Ukraine, issuance was deferred to 2022/23. Over the medium term, government plans to raise an additional US$11 billion in global capital markets.

Government continued to access cheaper concessional financing from international financial institutions and development banks to meet foreign-currency commitments. Market funding will be replaced or complemented with lower-cost funding from international financing institutions where these opportunities exist. As per Table 7, the following amounts were received from multilateral development banks, the International Monetary Fund and the World Bank:

- With no conditions attached, in January 2022 the World Bank approved a budget-support loan of US$750 million to South Africa to support government's response to the fiscal, public health and socioeconomic impact of the COVID-19 pandemic.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

- Loans of US$1 billion (June 2021) and US$1.06 billion (November 2021) were issued under the New Development Bank's COVID-19 emergency programme to fund government's health and social response to the pandemic.

Table 7: Borrowing from international finance institutions

Institutions	Disbursement date	Interest rate	Terms (years)	Grace period[1] (years)	Amount (US$ billion)
New Development Bank	17 June 2021	6-month LIBOR[2] plus 1,25%	30	5	1
New Development Bank	15 November 2021	6-month LIBOR[3] plus 1,05%	25	4,5	1,06
World Bank	-	6-month SOFR[4] plus 0,75%	13	3	0,75

1. The 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

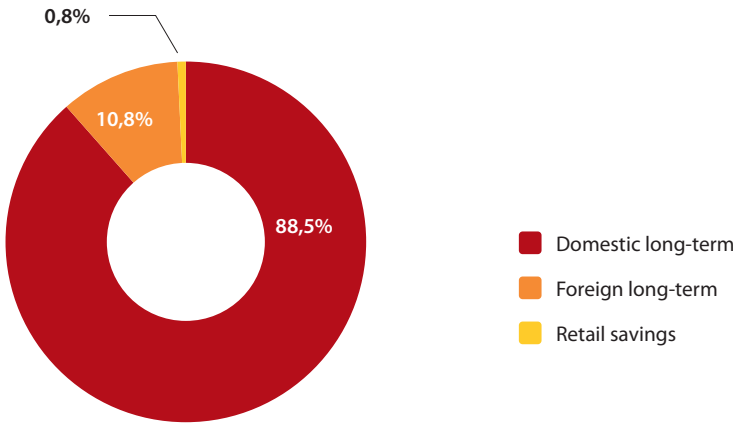
Interest and redemption payments on long-term loans

Figure 16 shows the composition of government's interest and redemption payments for 2021/22. The payments are split between domestic and foreign long-term loans, and retail savings bonds.

In 2021/22, interest payments and redemptions for domestic and foreign debt amounted to R333.4 billion (R268.1 billion and R65.3 billion, respectively). The R212 (2.75%; 2022) fixed-rate bond was redeemed in January 2022 with an outstanding amount of R57.7 billion. Monetary authorities followed by the foreign sector had the largest percentage holdings of the bond.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Figure 16: Interest and redemption payments, 2021/22



Source: National Treasury

Government cash balances

In managing cash, government's primary objective is to ensure that it has enough to meet its financial commitments as they become due. Part of effective cash management entails ensuring that government is able to meet its financial obligations 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 comprise excess cash deposits made with the SARB to counter the effects of increased money supply as a result of the accumulation of foreign currency reserves. These funds will be used in future to reduce government's gross borrowing requirement and the cost of funding. As at 31 March 2022, the balance in National Treasury's sterilisation deposit account was 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. In 2021/22, US$2.1 billion was received from multilateral institutions.

3. NATIONAL GOVERNMENT'S BORROWING REQUIREMENT AND FINANCING

Table 8 shows government's cash balances as at 31 March 2021 and 31 March 2022. In 2021/22, these balances decreased by R77.8 billion to R255.3 billion. The reduction mainly occurred on the tax and loan accounts to fund government's domestic commitments.

Table 8: National government's cash balances as at 31 March 2021 and 31 March 2022

R billion	Mar-21	Mar-22
Reserve bank	**134,5**	**126,3**
Sterilisation deposits	41,2	41,2
Foreign currency deposits	93,3	85,1
Commercial banks	**198,6**	**129,0**
Tax and loan accounts	198,6	129,0
Total	**333,1**	**255,3**

Source: National Treasury

Table 9 shows total foreign currency commitments of US$2.6 billion in 2021/22. This consisted of redemptions of foreign loans amounting to US$270 million, and interest on loans and departmental payments amounting to US$2.3 billion. These commitments were financed by proceeds from foreign currency loans.

Table 9: US dollar flows on foreign exchange deposits, 2021/22

US$ million	2020/21 Outcome	Revised Budget	Preliminary Outcome
Opening balance	**8 489**	**6 380**	**6 380**
Inflows	**5 405**	**5 358**	**2 156**
Foreign loan	5 282	5 250	2 150
Purchases	-	-	-
Interest	123	108	6
Outflows	**-7 514**	**-2 599**	**-2 611**
Interest on debt portfolio	-1 141	-1 182	-1 201
Loan redemptions	-822	-270	-270
Payments by departments	-5 551	-1 147	-1 140
Closing balance	**6 380**	**9 139**	**5 925**

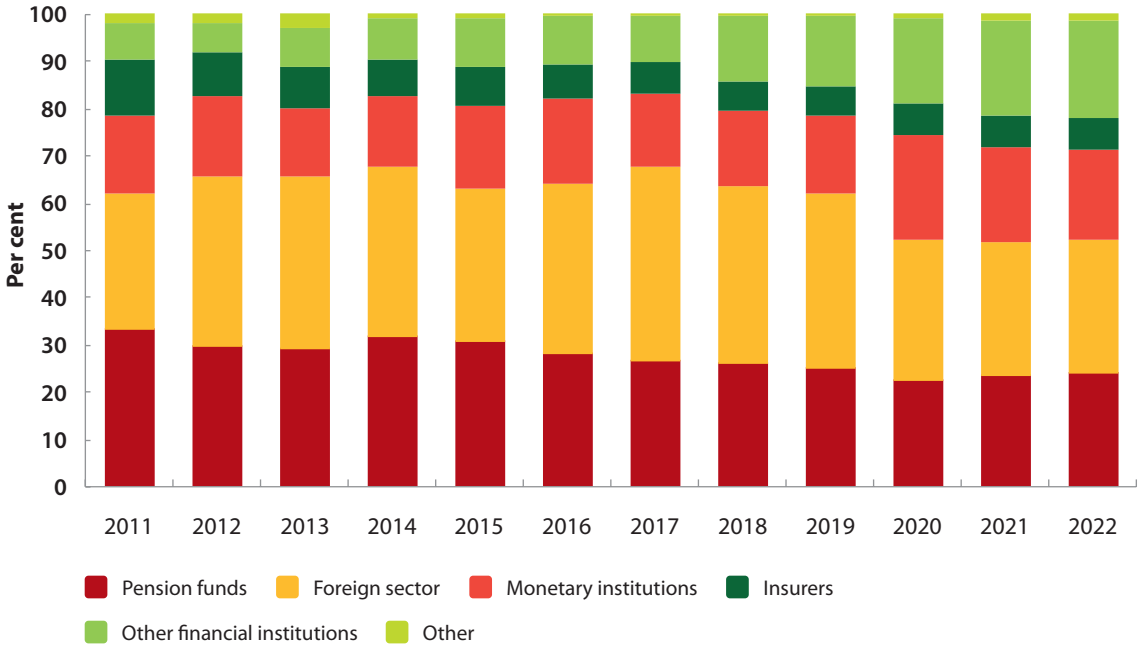
Source: National Treasury

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 92 per cent of outstanding government bonds. Because of low interest rates in developed countries, foreign investors were the largest holders of government bonds at 28.6 per cent as at 31 March 2022, followed by pension funds at 23.8 per cent and monetary institutions at 18.9 per cent.

Figure 17: Historical government bond holdings, 31 December 2011 to 31 March 2022



Sources: Strate, National Treasury

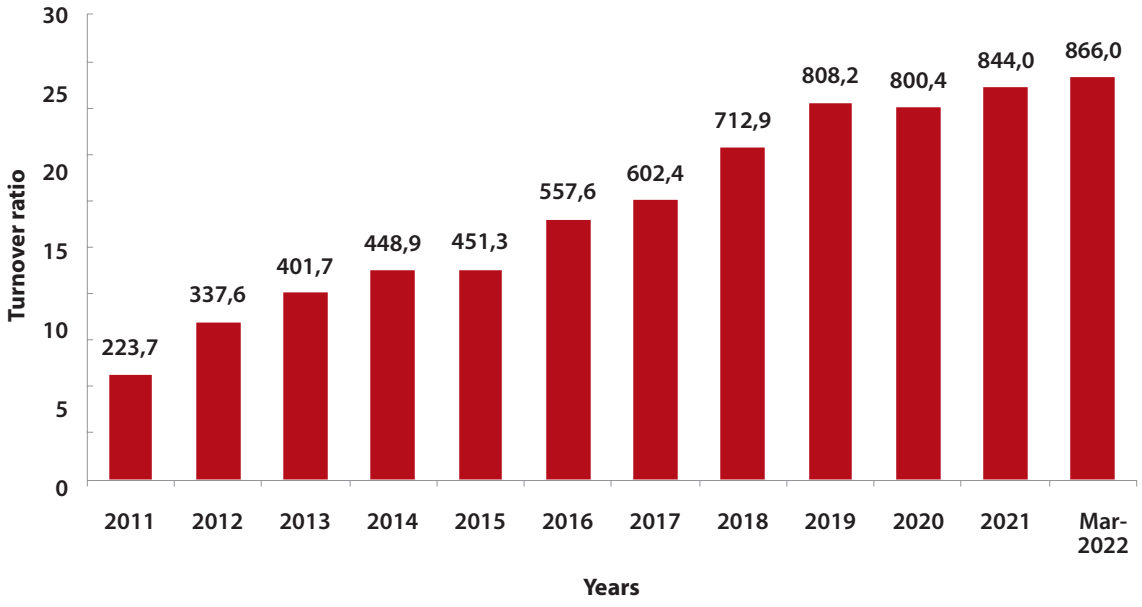
During the year under review, holdings of South African domestic bonds by foreign investors fluctuated from a high of 30.5 per cent in May 2021 to a low of 28.2 per cent between November and December 2021. This was offset by an increase in other financial institutions, as shown in Figure 17. The overall decrease was on the back of devaluations of emerging market currencies, as well as the expectation

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

of a tightening rate cycle by the US Federal Reserve. The omicron variant of the coronavirus worsened fears that many emerging-market economies would not recover quickly enough from the COVID-19 pandemic.

In nominal terms, though, foreign investor holdings of government bonds increased by R46 billion between March 2021 and March 2022 (see Figure 18).

Figure 18: Foreign investor holdings of government bonds, 31 December 2011 to 31 March 2022

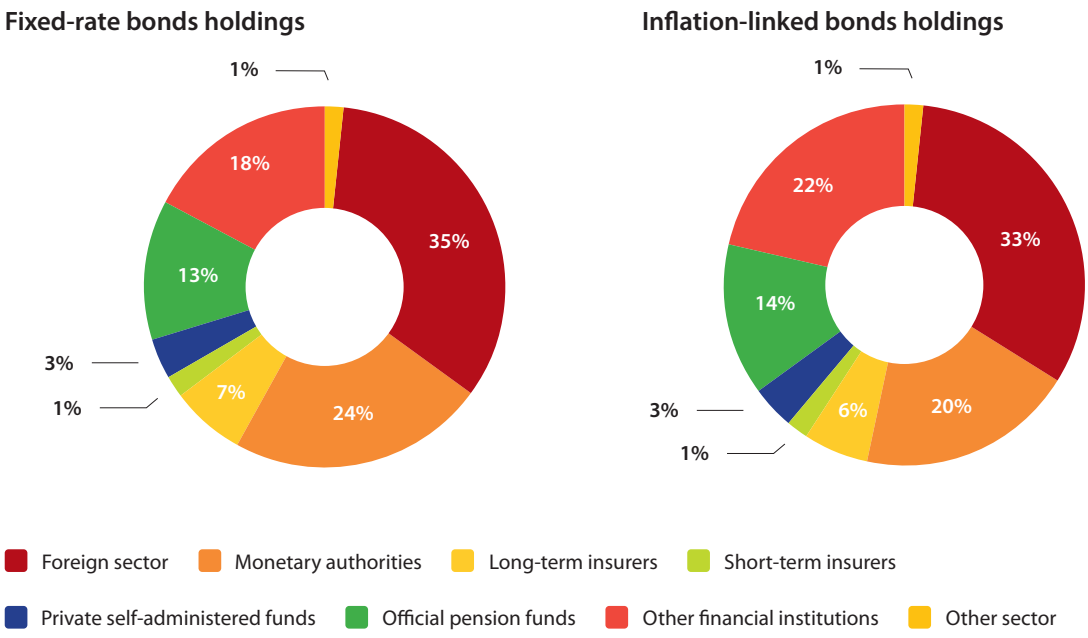


Sources: Strate, National Treasury

Figure 19 shows the holdings of fixed-rate and inflation-linked bonds by investor type as at 31 March 2022. Foreign investors held 33 per cent of fixed-rate bonds, a 4.9 per cent decrease from March 2021. Monetary authorities decreased their holdings from 23.7 per cent to 20 per cent. Official pension funds reduced their holdings of inflation-linked bonds from 46.5 per cent in March 2021 to 46 per cent in March 2022. Monetary authorities' inflation-linked bond portfolio holdings changed marginally, from 17.5 per cent in March 2021 to 14 per cent in March 2022. The percentage held by foreign investors remained relatively low at 4 per cent, up from 2.2 per cent in March 2021.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 19: Holdings of domestic fixed-rate and inflation-linked bonds, 31 March 2022



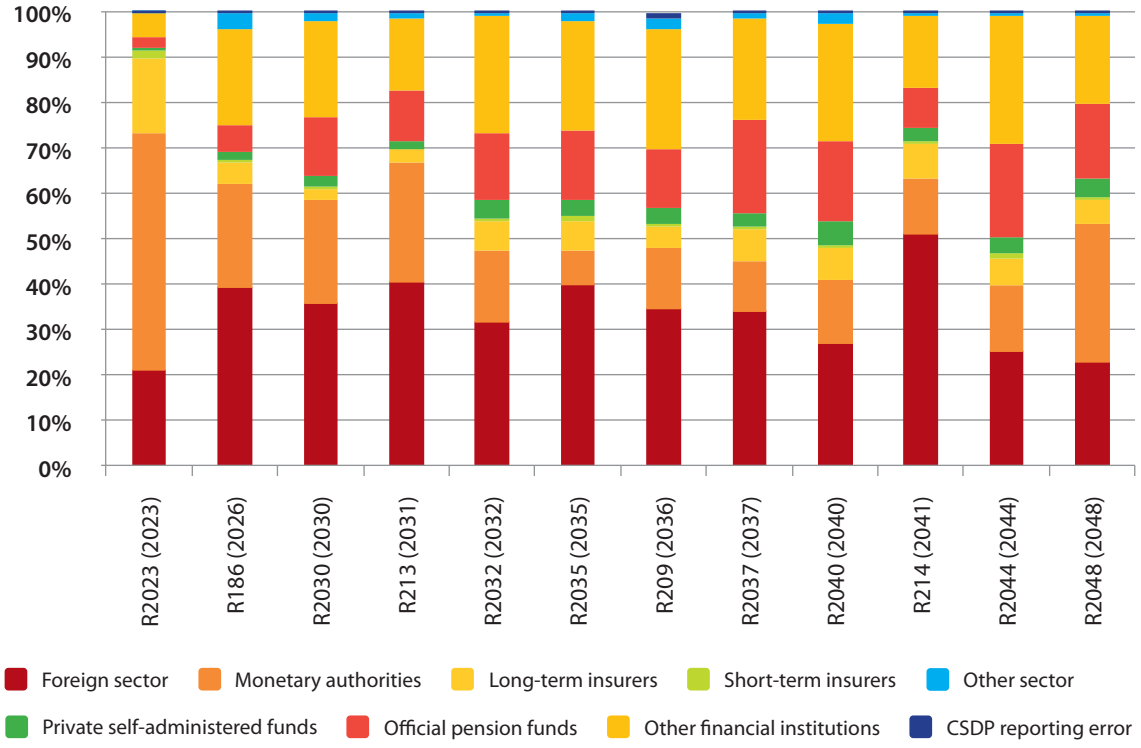
Sources: Strate, National Treasury

Figure 20 shows holdings of domestic fixed-rate bonds by instrument as at 31 March 2022. At 51 per cent, the foreign sector holds the largest amount of the off-the-run R214 bond (6.5%; 2041). The issuance of the R214 bond was discontinued on the back of remarkable discounted price considerations given the elevated borrowing requirement.

With 52 per cent, monetary authorities had collectively become the largest holder of the near-maturing R2023 bond (7.75%; 2023). The bond formed part of these authorities' high-quality liquid assets. Government commenced switching this bond to longer-dated maturities in February 2015 to avoid refinancing risk.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 20: Holdings of domestic fixed-rate bonds by instrument, 31 March 2022

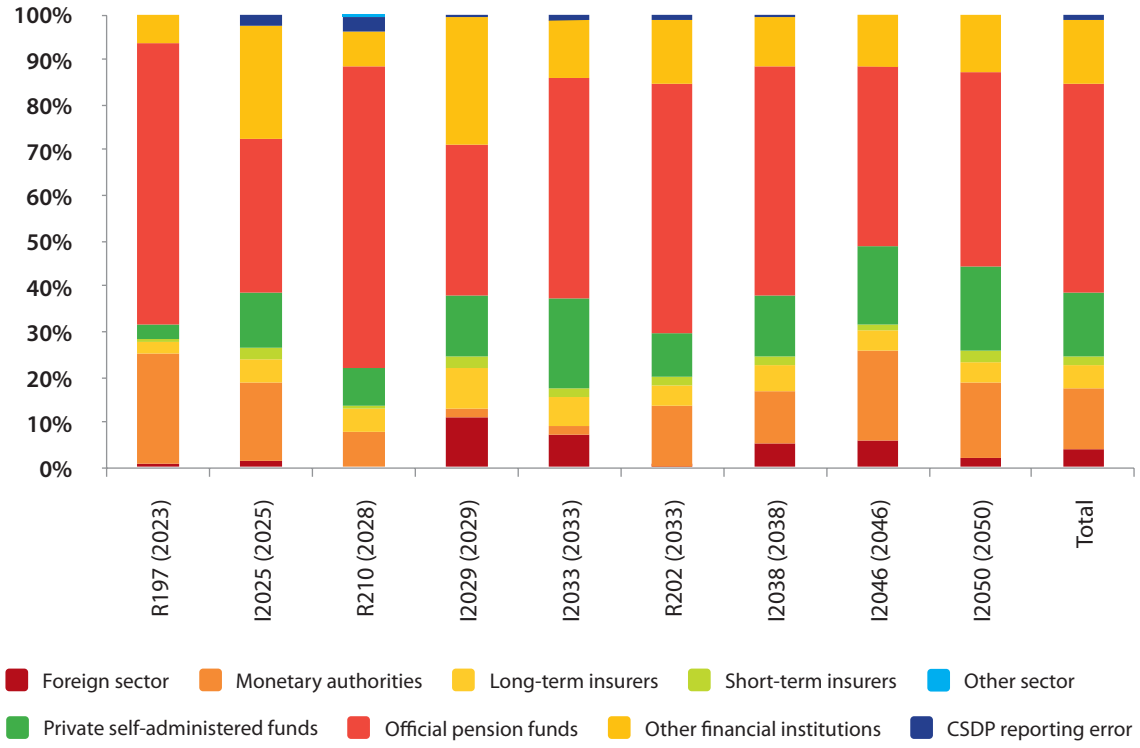


Sources: Strate, National Treasury

As at 31 March 2022, 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

Figure 21: Holdings of domestic inflation-linked bonds by instrument, 31 March 2022



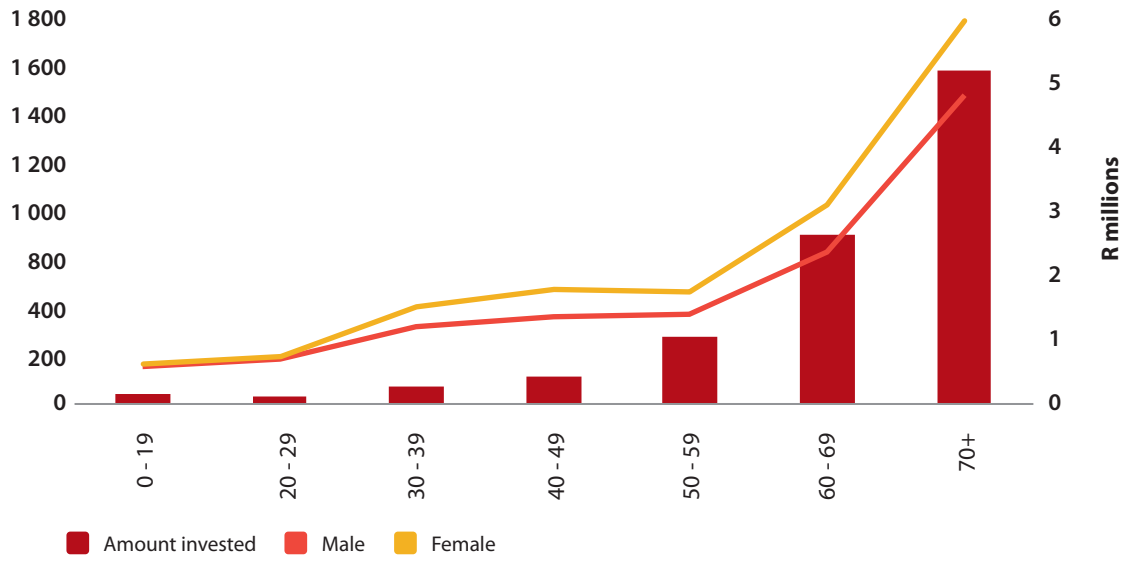
Sources: Strate, National Treasury

Holdings of retail savings bonds

An estimated 69 per cent of active investors in retail savings bonds are older than 50. This may be attributed to older investors saving for retirement and therefore benefiting from monthly payments.

4. HOLDINGS OF GOVERNMENT DEBT INSTRUMENTS

Figure 22: Retail investor demographics, 31 March 2022



Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

GOVERNMENT DEBT PORTFOLIO

Government debt is influenced by the budget balance and market variables, including prevailing interest, exchange and inflation rates. Government debt is presented on gross and net bases. Table 10 shows that, in 2021/22, the domestic net loan debt decreased by R160.2 billion (4.2 per cent) when compared to the 2021 Budget. Domestic cash balances increased by R109.1 billion (179.4 per cent). Foreign net loan debt also decreased by R31 billion (8.9 per cent), whereas the foreign cash balances decreased by R23 billion (19.2 per cent). The net loan debt (debt less cash balances) was 63.6 per cent of GDP over the same period.

Table 10: Total government debt, 2021/22

R billion	Budget	Revised budget	Preliminary outcome
Domestic debt			
Gross loan debt	3 916,7	3 852,4	3 865,6
Cash balances	-60,8	-145,5	-169,9
Net loan debt	3 855,9	3 706,9	3 695,7
Foreign debt			
Gross loan debt	466,1	493,3	412,1
Cash balances	-119,5	-143,5	-96,5
Net loan debt	346,6	349,8	315,6
Total gross loan debt	**4 382,8**	**4 345,7**	**4 277,7**
Total net loan debt	**4 202,5**	**4 056,7**	**4 011,3**
As percentage of GDP:			
Total gross loan debt	*81,9*	*69,5*	*68,0*
Total net loan debt	*78,5*	*64,9*	*63,8%*
Foreign debt as percentage of:			
Gross loan debt	*10,6*	*11,4*	*9,6*
Net loan debt	*8,2*	*8,6*	*7,9*

Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Table 11 shows the composition of domestic debt between 2020/21 and 2021/22. Of the total domestic debt portfolio in 2021/22, 11.5 per cent (R448.3 billion) comprised short-term loans.

Table 11: Composition of domestic debt by instrument, 2020/21 to 2021/22

R billion	2020/21 Outcome	2021/22 Preliminary outcome
Short-term loans	**456,0**	**448,3**
Shorter than 91-days	0,1	0,3
91-day	15,3	8,7
182-day	71,0	72,8
273-day	154,1	149,4
364-day	215,5	217,1
Long-term loans	**3 087,3**	**3 436,0**
Fixed-rate	2 283,7	2 563,8
Inflation-linked	787,3	853,5
Retail	16,3	18,7
Total	**3 543,3**	**3 884,3**

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 2021/22 amounted to R268.1 billion, debt-service cost was 4.3% as a percentage of GDP. This was R1.6 billion lower than initially budgeted, mainly as a result of the decrease in the gross borrowing requirement.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Table 12: Debt-service costs, 2021/22

R billion	Budget	Revised budget	Preliminary outcome
Domestic loans	249,1	250,5	250,5
Short-term	18,0	21,6	22,1
Long-term	231,0	228,9	228,4
Foreign loans	20,7	17,8	17,6
Total	269,7	268,3	268,1
As a percentage of:			
GDP	*5,0*	*4,3*	*4,3*
Expenditure	*14,7*	*14,2*	*14.2*
Revenue	*20,0*	*17,3*	*17,1*
Revenue	20,0%	17,3%	17,2%

Source: National Treasury

Funding portfolio indicators

Table 13 presents funding portfolio benchmark indicators as they relate to domestic fixed-income funding instruments. The focus on the high volume of debt, sovereign credit risk and associated costs has an influence on these indicators, as well as on the need to link various components of the desired and existing stock of sovereign debt.

In this regard, modified duration, which acts as a proxy for yield curve risk, measures the degree of price sensitivity relative to small changes in yields. The target range for this indicator is between 5.5 per cent and 7.5 per cent for fixed-rate bonds, and between 9 per cent and 12 per cent for inflation-linked bonds. The issuance strategy contributes to the market's overall duration and therefore prompts the system's sensitivity to interest rates. This is helpful in terms of the sovereign's aggregate credit risk, and thus demand, for certain segments of the yield curve.

The relative strength in the 12-year-plus bucket, and a reduction of about 70 basis points in ultralong-end yields, is the corollary of the duration-sensitive issuance plan that was introduced in 2019/20. This paradigm shift revealed the need for liquidity management instruments such as floating-rate notes.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

The weighted cost of funding indicates the cost at which South Africa borrows. The benchmark for this is more than 85 per cent of annual domestic funding and is the reference yield upon which bond auction levels are predicated. The indicators share a positive relationship in that a higher modified duration implies a higher cost of funding. This was evident in 2021/22 as the higher weighted cost of funding for fixed-rate bonds was associated with a relatively higher modified duration. Even so, the weighted cost of funding was lower than the targeted 10.07 per cent for fixed-rate bonds and 4.17 per cent for inflation-linked bonds in 2020/21 and 2021/22.

This is the outcome of a duration- and demand-sensitive issuance plan, which channelled 77 per cent of fixed-rate bond issuance into the 3-year to 15-year maturity bucket while considering peculiarities related to the inflation-linked bond market. The weighted cost of funding of 3.84 per cent for inflation-linked bonds was associated with a higher weighted average term to maturity (13.65 years) in 2021/22. This was a result of favourable repricing on the real curve because of expectations of rising inflation during the period under review. The increase in the repo rate in 2021/22 resulted in an increase of 44 basis points on the weighted cost for Treasury bills. The share of foreign debt as a percentage of total government debt remains within the defined currency risk exposure of 15 per cent.

Table 13: Funding benchmark indicators

Proposed funding benchmark indicators	Benchmark	31 March 2022
Weighted modified duration (fixed-rate bonds and liquidity management instrument) (%)	5,5 - 7,5	6,23
Weighted term-to-maturity (fixed-rate bonds and liquidity management instrument in years)	9,5 - 14	11,47
Weighted cost of funding (fixed-rate bonds and liquidity management instrument) (%)	10,07	9,88
Weighted modified duration (inflation-linked bonds) (%)	9 - 12	4,69
Weighted term-to-maturity (inflation-linked bonds in years)	12,5 - 15.5	13,65
Weighted cost of funding (inflation-linked bonds) (%)	3,82	2,61

Source: National Treasury

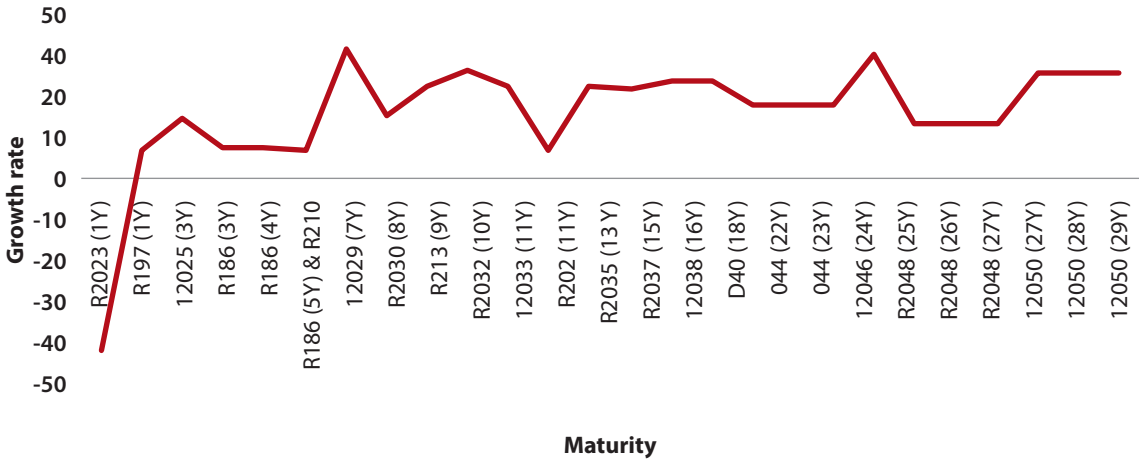
5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Maturity profile

Figure 23 shows changes in the country's maturity profile in the domestic bonds market by reflecting the year-on-year growth rate between 2020/21 and 2021/22. The overall growth rate of domestic debt was 9 per cent. In nominal (absolute) terms, in one year, fixed-rate bonds such as the year-8 R2030 (8%; 2030) bond absorbed an additional R40 billion, and the 10-year R2032 (8.25%; 2032) bond absorbed an additional R48 billion. Still, inflation-linked bonds reflected higher growth rates – 29 per cent (maturing in 2029) and 28 per cent (maturing in 2046). The additional inflation-adjusted nominal amounts were R10 billion for the I2029 (1,875%; 2029) and R25 billion for the I2046 (2,5%; 2046).

Inflation beta (risk) is relatively lower in newly issued instruments such as the seven-year I2029 bond, in which 38 per cent of the R10 billion increase is attributable to inflation accruals. The R2023 (7,75%; 2023) bond had a negative growth rate of 39 per cent because of the ongoing switch programme. This has reduced yield curve risk, resulting in a higher cost of funding, associated with higher borrowing requirements for purposes of financing upcoming bond redemptions.

Figure 23: Domestic bonds growth rate, 31 March 2022



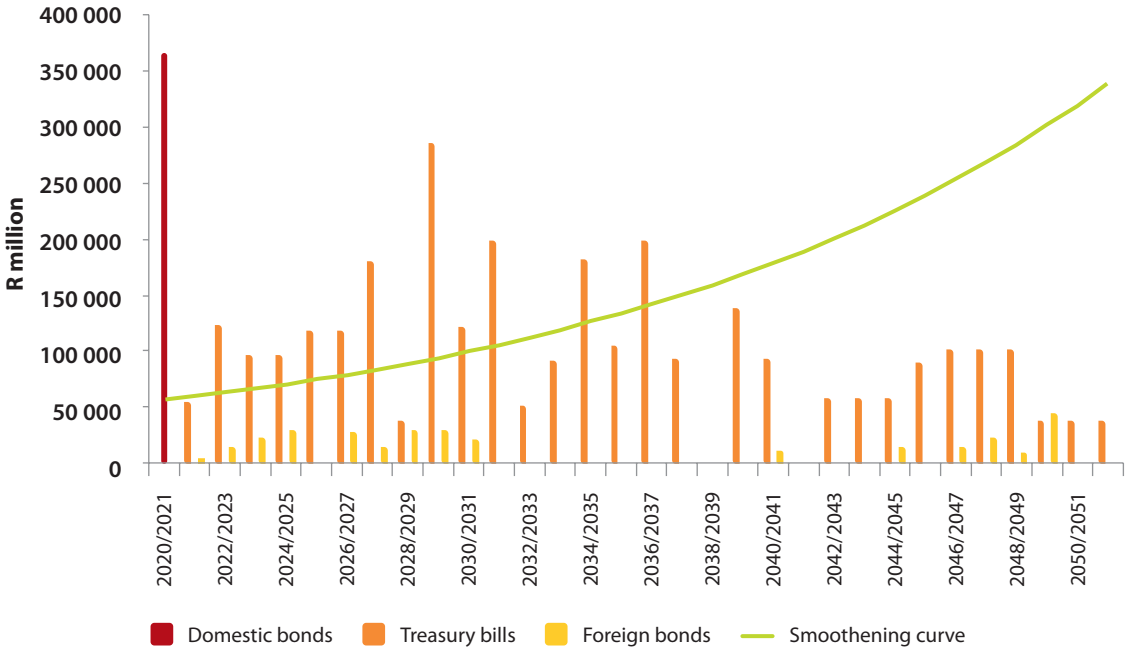
Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Government maturity profile

The affordable cash redemption line, as identified by the smoothing curve, indicates government's ideal affordability level for the repayment of debt, as shown in Figure 24. Any amount above this line poses refinancing risk (albeit not immediate) and has to be switched. As at 31 March 2022, R48.025 billion was successfully switched out of the R2023 bond (7.75%; 2023).

Figure 24: Maturity profile of government debt, 31 March 2022



Source: National Treasury

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Sovereign risk assessment

As COVID-19 restrictions were lifted and the economy opened gradually within a supportive external environment, South Africa's economy recovered quicker than expected. This also led to improved fiscal performance which has been viewed as positive by ratings agencies.

On 21 May 2021, S&P Global affirmed South Africa's long-term foreign debt rating at BB- and its local currency debt rating at BB. The agency maintained a "stable" outlook. On the same day, Fitch affirmed the country's long-term foreign and local currency debt ratings at BB- and maintained a "negative" outlook. Both agencies highlighted that longstanding structural constraints are expected to continue to hinder economic growth. High and rising government debt and high inequality are also key to the weak ratings.

Following multiple ratings downgrades in 2020 brought on by the COVID-19 pandemic and its associated effects, South Africa's credit ratings have begun to stabilise. On 15 December 2021, Fitch affirmed the country's non-investment ratings at BB- and revised its outlook from "negative" to "stable". The agency indicated that the revision of the outlook reflects a faster-than-expected economic recovery, surprisingly strong fiscal performance and significant improvements to key GDP-based credit metrics following the rebasing of national accounts.

After the 2022 Budget was tabled amid better-than-expected economic performance, on 1 April 2022, Moody's affirmed the country's long-term foreign and local debt credit ratings at Ba2 and revised its outlook from "negative" to "stable". The agency cited that the key driver for the revision was the improved fiscal outlook, which increases the likelihood of government's debt burden stabilising over the medium term. In addition, over the past two fiscal years, government has shown the ability to reprioritise its spending while staying committed to fiscal consolidation.

Ratings agencies remain concerned about South Africa's low economic growth, the slow pace of implementing economic reforms, and socioeconomic inequalities that complicate policy efforts and intensify tensions that fuel political risk. In addition, the country continues to grapple with a large debt burden, and financially weak state-owned companies that continue to strain public finances despite government's increasingly limited financial support to them.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Table 14: South Africa's solicited credit ratings, 2021/22

Rating agency	Moody's		Fitch		S&P	
Date of review	1-Apr-22		15-Dec-21		21-May-21	
	Current rating	Previous rating	Current rating	Previous rating	Current rating	Previous rating
Foreign currency credit rating	Ba2	Ba2	BB-	BB-	BB-	BB-
Domestic currency credit rating	Ba2	Ba2	BB-	BB-	BB	BB
Outlook	Stable	Negative	Stable	Negative	Stable	Stable
	Both foreign and domestic currency credit ratings are two notches below investement grade		Both foreign and domestic currency credit ratings are three notches below investement grade		Foreign currency credit rating is three notches below investment grade while the domestic currency credit rating is two notches below investment grade	

Sources: Moody's, Fitch, S&P Global, National Treasury

Ratings agencies indicated that credit ratings upgrades are unlikely in the short term. However, the following factors could lead to a positive outlook:

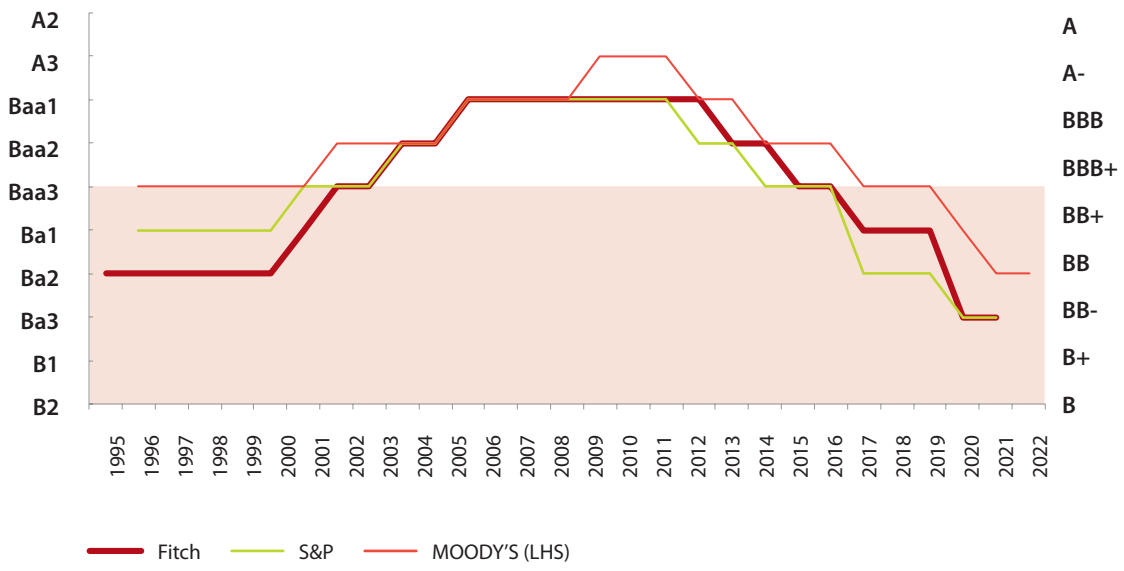
- A clear and credible path towards stabilising the government debt-to-GDP ratio over the medium term.
- Increased confidence in economic growth prospects that are sufficient to support government's efforts to reduce the budget deficit and address the country's high levels of inequality and unemployment.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

Conversely, the following factors could lead to further downgrades:

- Continued rise in the government debt-to-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 high levels of inequality.
- Any indication of diminished access to funding at interest rates that would further endanger the sustainability of government's debt.

5. GOVERNMENT DEBT PORTFOLIO AND RISK METRICS

Figure 25: History of South Africa's long-term foreign currency credit ratings, 1994-2022



Sources: Moody's, Fitch, S&P Global, National Treasury

6. INVESTOR RELATIONS

Investor roadshows

National Treasury runs an active investor relations programme and, each year after releasing the Budget Review in February and the Medium-Term Budget Policy Statement (MTBPS) in October, conducts domestic and international roadshows with the SARB. The aim of these roadshows is to strengthen relationships with investors and keep them informed about economic, fiscal, political and social developments in the country.

Because of COVID-19 travel restrictions, in 2021/22 National Treasury and the Reserve Bank engaged domestic and international investors through global investor calls. The MTBPS was presented in October 2021 and the Budget Review in February 2022.

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

Investor relations website

Launched in June 2011, National Treasury's investor relations website (http://investor.treasury.gov.za) provides relevant information to institutional investors. This includes bond auction calendars, historical results for auctions, sovereign credit ratings and reports, holdings of domestic government bonds, policy documents, economic indicators, details of pending events, investor presentations and links to other relevant websites.

Marketing and promotion of RSA Retail Savings Bonds

COVID-19 lockdown restrictions prevented National Treasury from participating in physical promotions in 2021/22. As such, all expos planned for the period under review were postponed to 2022/23. Nevertheless, the department continued with digital marketing campaigns by using email 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 2022

R million	91-day	182-day	273-day	365-day	Total
06.04.2022	1 000	2 700	2 163	4 300	10 163
14.04.2022	702	2 700	4 470	4 300	12 172
21.04.2022	30	2 700	3 800	4 300	10 830
28.04.2022	710	3 833	3 800	4 300	12 643
05.05.2022	550	2 700	3 800	4 300	11 350
11.05.2022	1 000	2 799	3 800	4 300	11 899
18.05.2022	1 000	2 154	3 800	4 200	11 154
25.05.2022	-	2 700	3 800	4 200	10 700
02.06.2022	200	2 700	3 800	4 200	10 900
08.06.2022	1 125	2 761	3 800	3 389	11 074
15.06.2022	522	2 700	3 800	4 200	11 222
22.06.2022	846	2 700	3 800	1 958	9 303
29.06.2022	1 000	2 700	3 800	4 905	12 405
06.07.2022	-	1 579	3 800	3 155	8 534
13.07.2022	-	2 780	3 800	4 200	10 780
20.07.2022	-	2 700	3 800	4 200	10 700
27.07.2022	-	2 700	2 667	4 200	9 567
03.08.2022	-	2 700	3 800	6 660	13 160
10.08.2022	-	2 700	3 800	4 200	10 700
17.08.2022	-	2 700	3 800	4 200	10 700
24.08.2022	-	2 828	3 800	4 200	10 828
31.08.2022	-	4 027	3 800	4 200	12 027
07.09.2022	-	2 700	3 949	4 200	10 849
14.09.2022	-	2 700	3 800	4 200	10 700
22.09.2022	-	4 145	3 800	4 200	12 145
29.09.2022	-	2 700	3 800	4 200	10 700

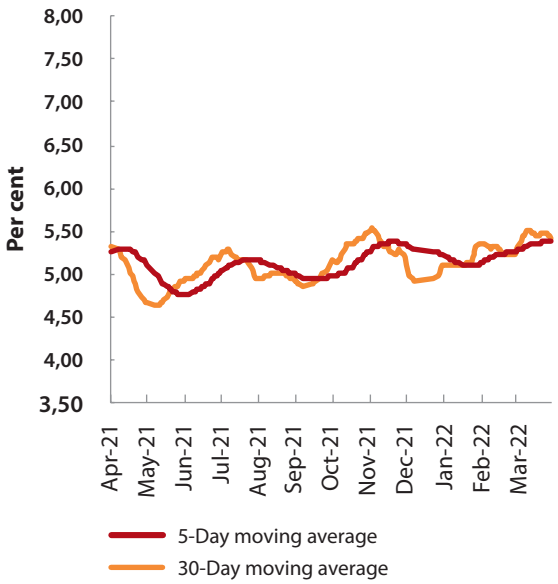
7. ANNEXURES

R million	91-day	182-day	273-day	365-day	Total
05.10.2022	-	-	4 921	4 200	9 121
12.10.2022	-	-	5 631	3 543	9 174
19.10.2022	-	-	4 290	4 200	8 490
26.10.2022	-	-	4 090	4 200	8 290
02.11.2022	-	-	3 800	4 200	8 000
09.11.2022	-	-	3 800	4 200	8 000
16.11.2022	-	-	3 800	5 413	9 213
23.11.2022	-	-	3 852	4 200	8 052
30.11.2022	-	-	3 273	4 200	7 473
07.12.2022	-	-	3 800	4 349	8 149
14.12.2022	-	-	3 800	4 398	8 198
21.12.2022	-	-	3 660	4 200	7 860
29.12.2022	-	-	3 800	4 200	8 000
04.01.2023	-	-	-	4 200	4 200
13.01.2023	-	-	-	2 587	2 587
20.01.2023	-	-	-	4 680	4 680
27.01.2023	-	-	-	4 200	4 200
01.02.2023	-	-	-	4 650	4 650
08.02.2023	-	-	-	4 200	4 200
15.02.2023	-	-	-	4 200	4 200
22.02.2023	-	-	-	5 020	5 020
01.03.2023	-	-	-	4 200	4 200
08.03.2023	-	-	-	4 075	4 075
15.03.2023	-	-	-	4 200	4 200
22.03.2023	-	-	-	2 327	2 327
30.03.2023	-	-	-	4 200	4 200
Total	8 684	72 806	149 364	217 108	447 964

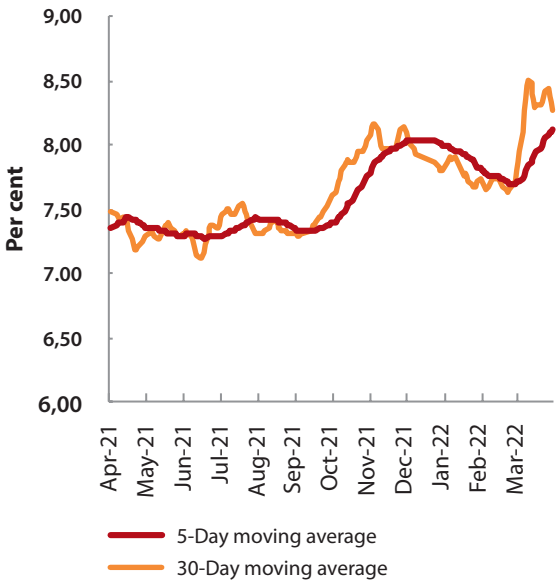
7. ANNEXURES

Annexure B: Yield trends of government fixed-rate bonds, 2021/22

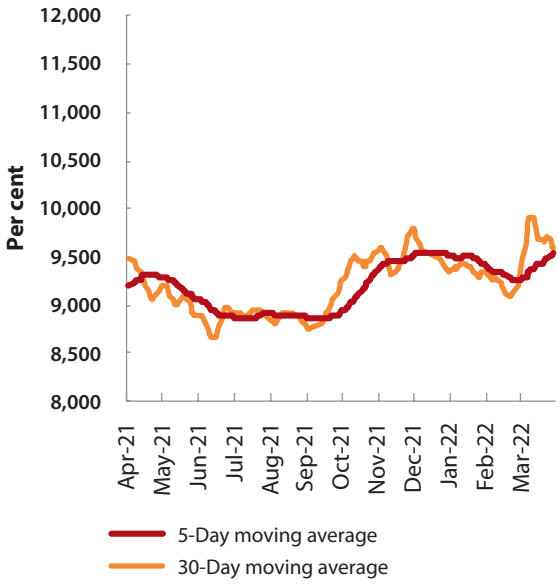
R2023 bond - 7.75% 28 February 2023



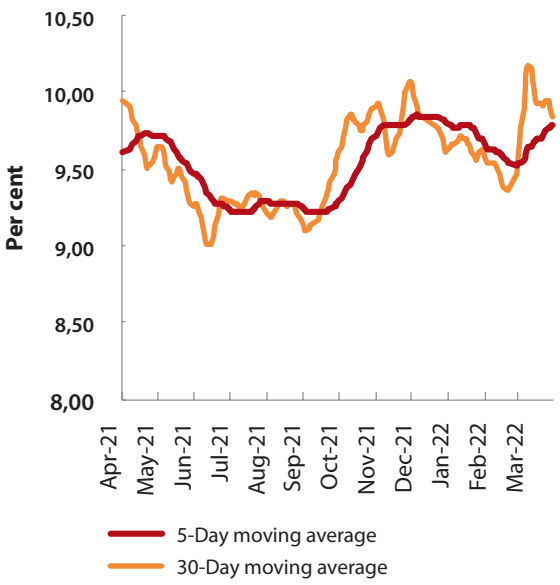
R186 bond - 10.5% 21 December 2026



R2030 bond - 8,00% 31 January 2030



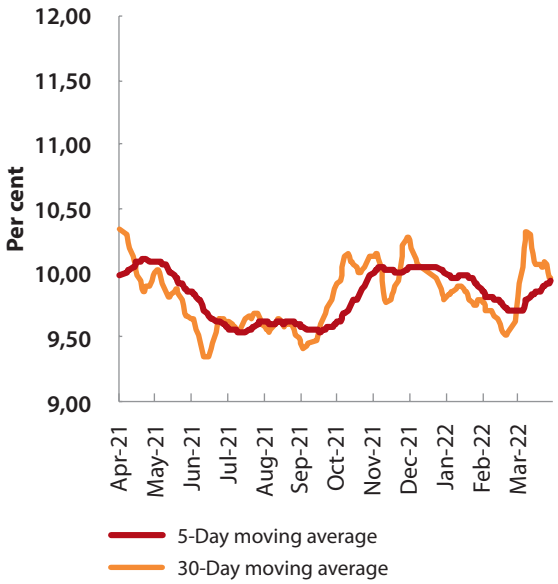
R213 bond - 7.00% 28 February 2031



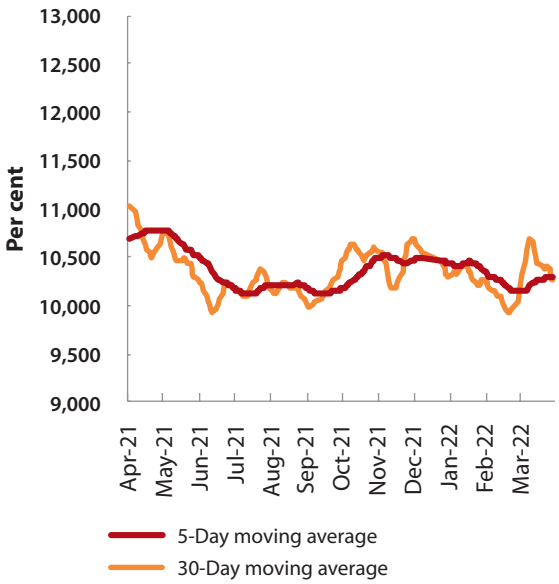
7. ANNEXURES

Annexure B: Yield trends of government fixed-rate bonds, 2021/22

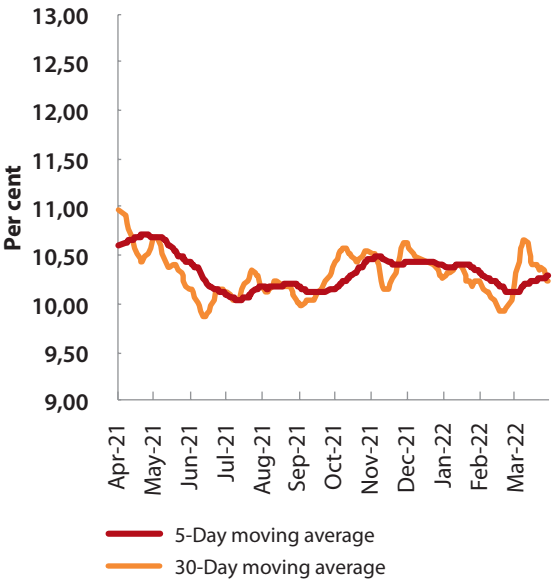
R2032 bond - 8.25% 31 March 2032



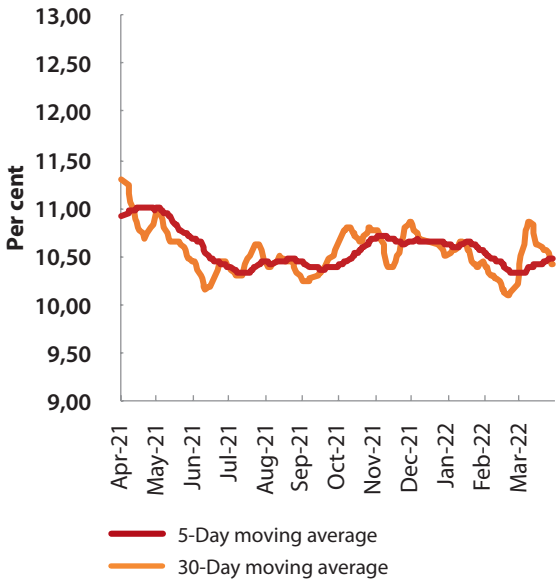
R2035 bond - 8.875% 28 February 2035



R209 bond - 6.25% 31 March 2036



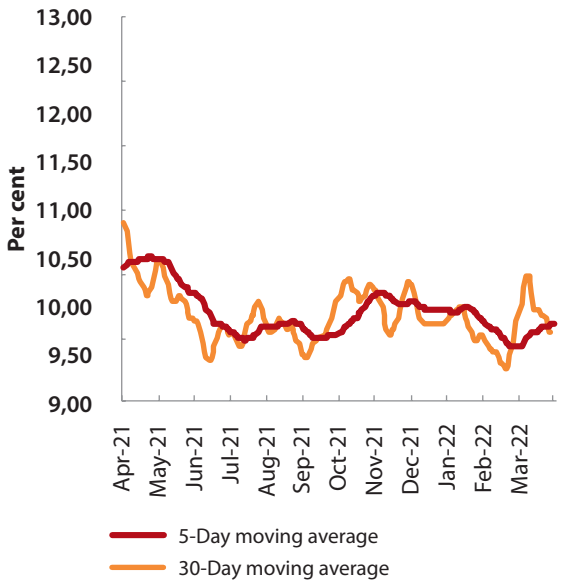
R2037 bond - 8.50% 31 January 2037



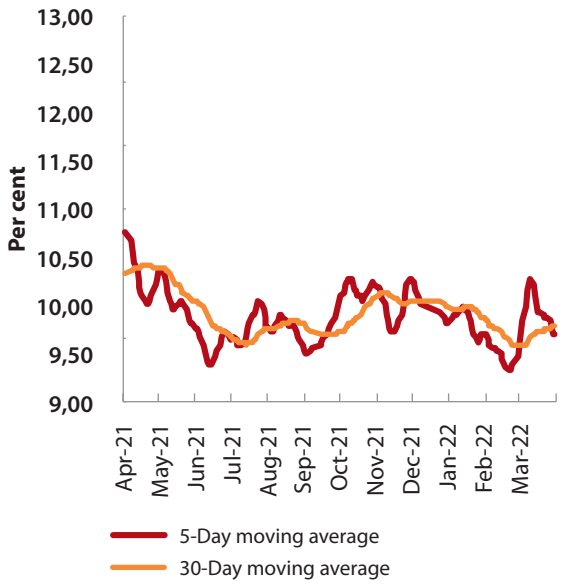
7. ANNEXURES

Annexure B: Yield trends of government fixed-rate bonds, 2021/22

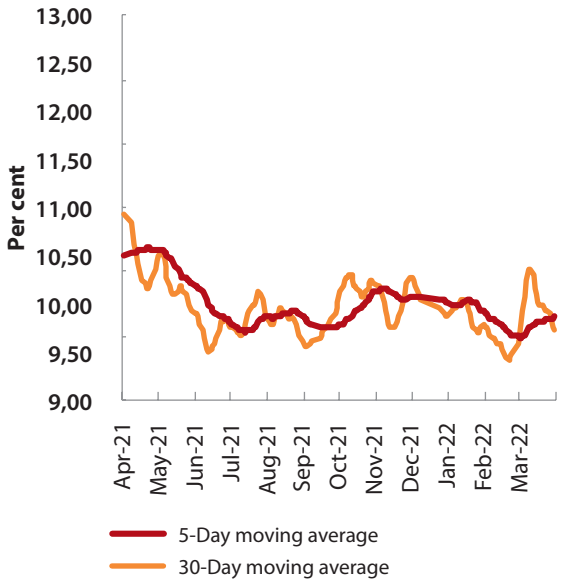
R2040 bond - 9.00% 31 January 2040



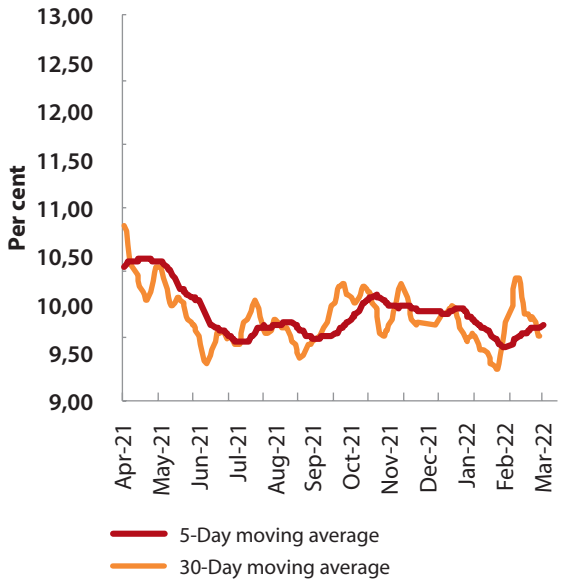
R214 bond - 6.50% 28 February 2041



R2044 bond - 8.75% 31 January 2044



R2048 bond - 8.75% 28 February 2048



7. ANNEXURES

Annexure C: Fixed-rate bond yield spreads, 2021/22

Fixed-rate bond yield spreads, 01 April 2021											
	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R2023 (2023)	222	423,5	469	508,5	575	569	601	608	600,5	613,5	605
R186 (2026)		201,5	247	286,5	353	347	379	386	378,5	391,5	383
R2030 (2030)			45,5	85	151,5	145,5	177,5	184,5	177	190	181,5
R213 (2031)				39,5	106	100	132	139	131,5	144,5	136
R2032 (2032)					66,5	60,5	92,5	99,5	92	105	96,5
R2035 (2035)						-6	26	33	25,5	38,5	30
R209 (2036)							32	39	31,5	44,5	36
R2037 (2037)								7	-0,5	12,5	4
R2040 (2040)									-7,5	5,5	-3
R214 (2041)										13	4,5
R2044 (2044)											-8,5

Fixed-rate bond yield spreads, 31 March 2022											
	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R2023 (2023)	273,5	419	443,5	455,5	491	490	508,5	519	517,5	521	515,5
R186 (2026)		145,5	170	182	217,5	216,5	235	245,5	244	247,5	242
R2030 (2030)			24,5	36,5	72	71	89,5	100	98,5	102	96,5
R213 (2031)				12	47,5	46,5	65	75,5	74	77,5	72
R2032 (2032)					35,5	34,5	53	63,5	62	65,5	60
R2035 (2035)						-1	17,5	28	26,5	30	24,5
R209 (2036)							18,5	29	27,5	31	25,5
R2037 (2037)								10,5	9	12,5	7
R2040 (2040)									-1,5	2	-3,5
R214 (2041)										3,5	-2
R2044 (2044)											-5,5

7. ANNEXURES

Annexure C: Fixed-rate bond yield spreads, 2021/22

Change in basis points, 2021/22											
	R186 (2026)	R2030 (2030)	R213 (2031)	R2032 (2032)	R2035 (2035)	R209 (2036)	R2037 (2037)	R2040 (2040)	R214 (2041)	R2044 (2044)	R2048 (2048)
R2023 (2023)	51,5	-4,5	-25,5	-53	-84	-79	-92,5	-89	-83	-92,5	-89,5
R186 (2026)		-56	-77	-104,5	-135,5	-130,5	-144	-140,5	-134,5	-144	-141
R2030 (2030)			-21	-48,5	-79,5	-74,5	-88	-84,5	-78,5	-88	-85
R213 (2031)				-27,5	-58,5	-53,5	-67	-63,5	-57,5	-67	-64
R2032 (2032)					-31	-26	-39,5	-36	-30	-39,5	-36,5
R2035 (2035)						5	-8,5	-5	1	-8,5	-5,5
R209 (2036)							-13,5	-10	-4	-13,5	-10,5
R2037 (2037)								3,5	9,5	0	3
R2040 (2040)									6	-3,5	-0,5
R214 (2041)										-9,5	-6,5
R2044 (2044)											3

Annexure D: Summary of 91-day and 182-day Treasury bill auctions, 2021/22

	91-day					182-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
4/1/2021	1 482	1 300	1 200	1,24	3,87	6 861	2 940	2 645	2,59	4,65
4/8/2021	974	547	1 200	0,81	3,89	6 492	2 940	2 645	2,45	4,65
4/15/2021	3 303	1 300	1 200	2,75	3,86	8 848	2 940	2 645	3,35	4,62
4/22/2021	2 409	1 300	1 200	2,01	3,64	15 174	2 940	2 645	5,74	4,54
4/30/2021	701	301	1 350	0,52	3,59	10 227	2 940	2 945	3,47	4,50
5/7/2021	1 056	948	1 350	0,78	3,56	12 115	3 292	2 945	4,11	4,41
5/14/2021	888	888	1 350	0,66	3,63	9 865	2 812	2 945	3,35	4,39
5/21/2021	1 118	1 000	1 350	0,83	3,71	6 670	2 700	2 945	2,26	4,40
5/28/2021	1 468	1 000	1 350	1,09	3,74	7 992	2 700	2 945	2,71	4,34
6/4/2021	2 081	1 000	1 350	1,54	3,77	7 813	3 512	2 945	2,65	4,35
6/11/2021	3 825	1 000	1 400	2,73	3,79	4 874	2 700	3 070	1,59	4,34
6/18/2021	3 581	1 000	1 400	2,56	3,81	8 090	4 942	3 070	2,64	4,37
6/25/2021	2 036	1 000	1 400	1,45	3,86	2 225	1 995	3 070	0,72	4,46
7/2/2021	1 454	1 000	1 400	1,04	3,88	2 659	2 129	3 070	0,87	4,51
7/9/2021	410	330	1 400	0,29	3,89	4 812	2 700	3 070	1,57	4,56
7/16/2021	1 459	1 000	1 400	1,04	3,94	6 071	2 700	3 070	1,98	4,58
7/23/2021	1 080	1 000	1 400	0,77	3,94	2 898	2 700	3 070	0,94	4,58
7/30/2021	305	200	1 400	0,22	3,99	2 877	1 040	3 070	0,94	4,60
8/6/2021	3 988	1 000	1 400	2,85	3,50	8 923	2 700	3 070	2,91	4,09
8/13/2021	1 447	1 000	1 400	1,03	3,51	5 377	2 700	3 070	1,75	4,30
8/20/2021	1 192	1 000	1 400	0,85	3,93	5 844	2 700	3 070	1,90	4,42
8/27/2021	2 092	1 000	1 400	1,49	3,94	6 864	2 700	3 070	2,24	4,37

Annexure D: Summary of 91-day and 182-day Treasury bill auctions, 2021/22 - *Continued*

91-day						182-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
9/3/2021	3 186	1 000	1 400	2,28	3,92	6 250	2 700	3 070	2,04	4,36
9/10/2021	5 940	1 000	1 400	4,24	3,89	4 582	2 700	3 070	1,49	4,37
9/17/2021	3 926	1 000	1 400	2,80	3,83	3 676	2 700	3 070	1,20	4,40
9/24/2021	2 243	1 000	1 400	1,60	3,83	3 953	2 700	3 070	1,29	4,44
10/1/2021	2 849	1 000	1 400	2,03	3,79	4 300	2 700	3 070	1,40	4,47
10/8/2021	2 844	1 657	1 400	2,03	3,82	5 554	2 700	3 070	1,81	4,51
10/15/2021	2 239	1 000	1 400	1,60	3,79	4 088	2 700	3 070	1,33	4,56
10/22/2021	1 340	1 000	1 400	0,96	3,79	5 342	3 833	3 070	1,74	4,57
10/29/2021	1 066	1 000	1 400	0,76	3,78	6 163	2 700	3 070	2,01	4,58
11/5/2021	1 001	901	1 400	0,72	3,77	4 357	2 799	3 070	1,42	4,56
11/12/2021	553	333	1 400	0,40	3,84	2 644	2 154	3 070	0,86	4,65
11/19/2021	4 570	1 000	1 400	3,26	3,93	5 875	2 700	3 070	1,91	4,73
11/26/2021	5 871	1 000	1 400	4,19	3,93	3 640	2 700	3 070	1,19	4,84
12/3/2021	1 021	641	1 400	0,73	3,91	3 486	2 761	3 070	1,14	4,96
12/10/2021	1 552	802	1 400	1,11	3,95	6 014	2 700	3 070	1,96	5,02
12/17/2021	5 599	1 000	1 400	4,00	3,91	4 764	2 700	3 070	1,55	5,04
12/24/2021	3 115	1 000	1 400	2,22	3,87	4 069	2 700	3 070	1,33	5,05
12/31/2021	1 106	1 000	1 400	0,79	3,89	2 084	1 579	3 070	0,68	5,12
1/7/2022	1 015	702	1 400	0,73	3,90	5 211	2 780	3 070	1,70	5,13
1/14/2022	418	30	1 400	0,30	3,91	5 803	2 700	3 070	1,89	5,14
1/21/2022	710	710	1 400	0,51	3,87	5 345	2 700	3 070	1,74	5,16
1/28/2022	665	550	1 400	0,48	4,07	5 529	2 700	3 070	1,80	5,22

Annexure D: Summary of 91-day and 182-day Treasury bill auctions, 2021/22 - *Continued*

91-day						182-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
2/4/2022	3 281	1 000	1 400	2,34	3,98	7 113	2 700	3 070	2,32	5,17
2/11/2022	1 279	1 000	1 400	0,91	3,93	8 182	2 700	3 070	2,67	5,15
2/18/2022	-	-	1 400	0,00	3,93	9 066	2 828	3 070	2,95	5,12
2/25/2022	650	200	1 400	0,46	4,19	9 815	4 027	3 070	3,20	5,11
3/4/2022	2 003	1 125	1 400	1,43	4,19	4 888	2 700	3 070	1,59	5,20
3/11/2022	1 359	522	1 400	0,97	4,25	7 551	2 700	3 070	2,46	5,30
3/18/2022	846	846	1 400	0,60	4,32	5 355	4 145	3 070	1,74	5,34
3/25/2022	3 312	1 000	1 400	2,37	4,36	7 189	2 700	3 070	2,34	5,43

Annexure E: Summary of 273-day and 364-day Treasury bill auctions, 2021/22

273-day						364-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
4/1/2021	4 866	3 990	3 190	1,53	4,84	9 538	4 300	3 340	2,86	4,87
4/8/2021	9 497	3 990	3 190	2,98	4,80	17 935	4 300	3 340	5,37	4,81
4/15/2021	17 018	3 990	3 190	5,33	4,74	8 613	4 300	3 340	2,58	4,79
4/22/2021	15 033	3 990	3 190	4,71	4,69	13 276	4 300	3 340	3,97	4,73
4/30/2021	11 286	3 990	3 740	3,02	4,65	7 194	4 300	3 340	2,15	4,69
5/7/2021	10 300	3 990	3 740	2,75	4,63	7 501	4 300	4 040	1,86	4,70
5/14/2021	8 994	3 800	3 740	2,40	4,62	5 572	4 200	4 040	1,38	4,73
5/21/2021	5 408	3 800	3 740	1,45	4,66	7 471	4 200	4 040	1,85	4,72

Annexure E: Summary of 273-day and 364-day Treasury bill auctions, 2021/22 *- Continued*

273-day						364-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
5/28/2021	4 563	3 800	3 740	1,22	4,74	4 952	4 200	4 040	1,23	4,79
6/4/2021	6 598	3 800	3 740	1,76	4,79	4 989	4 200	4 440	1,12	4,88
6/11/2021	4 058	3 800	4 040	1,00	4,83	6 603	4 200	4 440	1,49	4,88
6/18/2021	8 549	3 800	4 040	2,12	4,87	1 958	1 958	4 440	0,44	5,02
6/25/2021	7 626	3 800	4 040	1,89	4,87	10 993	4 905	4 440	2,48	5,00
7/2/2021	3 643	2 163	4 040	0,90	5,00	4 910	3 155	4 440	1,11	5,07
7/9/2021	5 723	4 470	4 040	1,42	5,01	5 992	4 200	4 440	1,35	5,10
7/16/2021	7 434	3 800	4 040	1,84	5,05	9 817	4 200	4 440	2,21	5,13
7/23/2021	7 898	3 800	4 040	1,96	4,99	7 724	4 200	4 440	1,74	5,13
7/30/2021	7 931	3 800	4 040	1,96	4,99	11 076	6 660	4 440	2,49	5,11
8/6/2021	9 922	3 800	4 040	2,46	4,95	12 430	4 200	4 440	2,80	5,04
8/13/2021	9 100	3 800	4 040	2,25	4,97	9 505	4 200	4 440	2,14	5,16
8/20/2021	11 357	3 800	4 040	2,81	4,95	12 792	4 200	4 440	2,88	5,05
8/27/2021	10 725	3 800	4 040	2,65	4,92	7 881	4 200	4 440	1,78	5,03
9/3/2021	10 078	3 800	4 040	2,49	4,91	8 547	4 200	4 440	1,93	5,02
9/10/2021	9 501	3 800	4 040	2,35	4,89	8 200	4 200	4 440	1,85	5,01
9/17/2021	8 924	3 800	4 040	2,21	4,88	6 959	4 200	4 440	1,57	5,02
9/24/2021	8 572	3 800	4 040	2,12	4,89	5 965	4 200	4 440	1,34	5,04
10/1/2021	5 441	3 800	4 040	1,35	4,97	5 430	4 200	4 440	1,22	5,10
10/8/2021	7 343	3 800	4 040	1,82	5,02	5 683	3 543	4 440	1,28	5,20
10/15/2021	8 304	3 800	4 040	2,06	5,02	12 493	4 200	4 440	2,81	5,21
10/22/2021	3 627	2 667	4 040	0,90	5,09	6 045	4 200	4 440	1,36	5,26

Annexure E: Summary of 273-day and 364-day Treasury bill auctions, 2021/22 *- Continued*

	273-day					364-day				
Issue date	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)	Bids received (R'm)	Allocated amount (R'm)	Auction amount (R'm)	Bid-to-cover ratio (times)	Effective rate (%)
10/29/2021	6 343	3 800	4 040	1,57	5,18	6 939	4 200	4 440	1,56	5,32
11/5/2021	9 659	3 800	4 040	2,39	5,16	8 387	4 200	4 440	1,89	5,36
11/12/2021	6 147	3 800	4 040	1,52	5,22	8 040	5 413	4 440	1,81	5,38
11/19/2021	5 238	3 800	4 040	1,30	5,36	7 263	4 200	4 440	1,64	5,57
11/26/2021	6 898	3 800	4 040	1,71	5,48	6 493	4 200	4 440	1,46	5,80
12/3/2021	5 674	3 949	4 040	1,40	5,52	9 286	4 349	4 440	2,09	5,79
12/10/2021	5 476	3 800	4 040	1,36	5,57	9 808	4 398	4 440	2,21	5,79
12/17/2021	5 151	3 800	4 040	1,28	5,63	7 974	4 200	4 440	1,80	5,75
12/24/2021	11 276	3 800	4 040	2,79	5,66	11 588	4 200	4 440	2,61	5,77
12/31/2021	9 018	4 921	4 040	2,23	5,68	6 008	4 200	4 440	1,35	5,84
1/7/2022	10 877	5 631	4 040	2,69	5,69	9 604	2 587	4 440	2,16	5,92
1/14/2022	12 207	4 290	4 040	3,02	5,61	11 647	4 680	4 440	2,62	5,83
1/21/2022	14 471	4 090	4 040	3,58	5,57	11 619	4 200	4 440	2,62	5,74
1/28/2022	8 936	3 800	4 040	2,21	5,59	11 593	4 650	4 440	2,61	5,71
2/4/2022	12 453	3 800	4 040	3,08	5,52	13 714	4 200	4 440	3,09	5,61
2/11/2022	8 458	3 800	4 040	2,09	5,52	8 577	4 200	4 440	1,93	5,62
2/18/2022	8 717	3 852	4 040	2,16	5,50	10 341	5 020	4 440	2,33	5,57
2/25/2022	7 793	3 273	4 040	1,93	5,55	8 876	4 200	4 440	2,00	5,60
3/4/2022	6 487	3 800	4 040	1,61	5,55	5 275	4 075	4 440	1,19	5,67
3/11/2022	6 402	3 800	4 040	1,58	5,68	5 680	4 200	4 440	1,28	5,84
3/18/2022	5 260	3 660	4 040	1,30	5,78	4 127	2 327	4 440	0,93	5,88
3/25/2022	6 720	3 800	4 040	1,66	5,95	6 200	4 200	4 440	1,40	6,10

7. ANNEXURES

Annexure F: Summary of fixed-rate bond auctions, 2021/22

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2021/04/06	R2030	2030/01/31	8,000	1 600	1 600	4 435	9,490
2021/04/06	R2032	2032/03/31	8,250	1 600	1 600	3 735	10,320
2021/04/06	R2035	2035/02/28	8,875	1 600	1 600	4 515	10,980
2021/04/13	R213	2031/02/28	7,000	1 600	1 600	4 315	9,790
2021/04/13	R2037	2037/01/31	8,500	1 600	1 600	3 712	10,910
2021/04/13	R2044	2044/01/31	8,750	1 600	1 600	3 185	10,070
2021/04/20	R213	2031/02/28	7,000	1 600	1 600	5 610	9,540
2021/04/20	R2037	2037/01/31	8,500	1 600	1 600	5 180	10,725
2021/04/20	R2048	2048/02/28	8,750	1 600	1 600	4 610	10,840
2021/04/28	R2030	2030/01/31	8,000	1 600	1 600	4 790	9,215
2021/04/28	R2035	2035/02/28	8,875	1 600	1 600	3 660	10,780
2021/04/28	R2040	2040/01/31	9,000	1 600	1 600	3 630	11,140
2021/05/04	R213	2031/02/28	7,000	1 600	1 600	4 880	9,540
2021/05/04	R2035	2035/02/28	8,875	1 600	1 600	5 265	10,580
2021/05/04	R2048	2048/02/28	8,750	1 600	1 600	5 805	10,850
2021/05/11	R186	2026/12/21	10,500	1 300	1 300	4 715	7,220
2021/05/11	R2035	2035/02/28	8,875	1 300	1 300	10 250	10,380
2021/05/11	R2048	2048/02/28	8,750	1 300	1 300	6 170	10,690
2021/05/18	R213	2031/02/28	7,000	1 300	1 300	4 915	9,460
2021/05/18	R2037	2037/01/31	8,500	1 300	1 300	5 135	10,640
2021/05/18	R2044	2044/01/31	8,750	1 300	1 300	3 550	10,870
2021/05/25	R2030	2030/01/31	8,000	1 300	1 300	7 145	8,860
2021/05/25	R2032	2032/03/31	8,250	1 300	1 300	8 760	9,630
2021/05/25	R2035	2035/02/28	8,875	1 300	1 300	6 285	10,245
2021/06/01	R213	2031/02/28	7,000	1 300	1 300	3 465	9,235
2021/06/01	R2032	2032/03/31	8,250	1 300	1 300	5 765	9,600
2021/06/01	R2035	2035/02/28	8,875	1 300	1 300	3 595	10,185
2021/06/08	R213	2031/02/28	7,000	1 300	1 300	5 325	8,970
2021/06/08	R2032	2032/03/31	8,250	1 300	1 300	6 650	9,265
2021/06/08	R2037	2037/01/31	8,500	1 300	1 300	5 275	10,090
2021/06/15	R213	2031/02/28	7,000	1 300	1 300	2 260	9,085

7. ANNEXURES

Annexure F: Summary of fixed-rate bond auctions, 2021/22 *- Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2021/06/15	R2037	2037/01/31	8,500	1 300	1 300	3 920	10,200
2021/06/15	R2048	2048/02/28	8,750	1 300	1 300	2 995	10,360
2021/06/22	R2032	2032/03/31	8,250	1 300	1 300	3 755	9,690
2021/06/22	R2035	2035/02/28	8,875	1 300	1 300	2 735	10,320
2021/06/22	R2040	2040/01/31	9,000	1 300	1 300	3 545	10,640
2021/06/29	R2032	2032/03/31	8,250	1 300	1 300	2 530	9,660
2021/06/29	R2037	2037/01/31	8,500	1 300	1 300	3 015	10,425
2021/06/29	R2040	2040/01/31	9,000	1 300	1 300	2 905	10,590
2021/07/06	R2030	2030/01/31	8,000	1 300	1 300	3 635	8,910
2021/07/06	R2037	2037/01/31	8,500	1 300	1 300	4 390	10,240
2021/07/06	R2040	2040/01/31	9,000	1 300	1 300	3 320	10,400
2021/07/13	R2035	2035/02/28	8,875	1 300	1 300	3 135	10,280
2021/07/13	R2040	2040/01/31	9,000	1 300	1 300	2 735	10,720
2021/07/13	R2048	2048/02/28	8,750	1 300	1 300	2 480	10,720
2021/07/20	R2030	2030/01/31	8,000	1 300	1 300	5 465	8,960
2021/07/20	R2032	2032/03/31	8,250	1 300	1 300	4 295	9,720
2021/07/20	R2035	2035/02/28	8,875	1 300	1 300	3 540	10,390
2021/07/27	R186	2026/12/21	10,500	1 300	1 300	4 805	7,295
2021/07/27	R2030	2030/01/31	8,000	1 300	1 300	2 885	8,820
2021/07/27	R2044	2044/01/31	8,750	1 300	1 300	3 505	10,665
2021/08/03	R2030	2030/01/31	8,000	1 300	1 300	3 040	8,715
2021/08/03	R2040	2040/01/31	9,000	1 300	1 300	2 940	10,420
2021/08/03	R2048	2048/02/28	8,750	1 300	1 300	2 495	10,420
2021/08/10	R213	2031/02/28	7,000	1 300	1 300	3 825	9,400
2021/08/10	R2032	2032/03/31	8,250	1 300	1 300	4 575	9,730
2021/08/10	R2037	2037/01/31	8,500	1 300	1 300	4 830	10,610
2021/08/17	R213	2031/02/28	7,000	1 300	1 300	5 360	9,220
2021/08/17	R2037	2037/01/31	8,500	1 300	1 300	5 155	10,410
2021/08/17	R2044	2044/01/31	8,750	1 300	1 300	4 765	10,610
2021/08/24	R213	2031/02/28	7,000	1 300	1 300	3 325	9,205
2021/08/24	R2032	2032/03/31	8,250	1 300	1 300	2 985	9,550

7. ANNEXURES

Annexure F: Summary of fixed-rate bond auctions, 2021/22 *- Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2021/08/24	R2035	2035/02/28	8,875	1 300	1 300	3 985	10,100
2021/08/31	R2030	2030/01/31	8,000	1 300	1 300	3 015	8,750
2021/08/31	R2037	2037/01/31	8,500	1 300	1 300	3 240	10,170
2021/08/31	R2044	2044/01/31	8,750	1 300	1 300	3 330	10,325
2021/09/07	R213	2031/02/28	7,000	1 300	1 300	3 130	9,175
2021/09/07	R2035	2035/02/28	8,875	1 300	1 300	4 290	10,080
2021/09/07	R2044	2044/01/31	8,750	1 300	1 300	3 940	10,490
2021/09/14	R2030	2030/01/31	8,000	1 300	1 300	3 025	8,875
2021/09/14	R2032	2032/03/31	8,250	1 300	1 300	3 095	9,575
2021/09/14	R2044	2044/01/31	8,750	1 300	1 300	4 785	10,500
2021/09/21	R2030	2030/01/31	8,000	1 300	1 300	4 835	8,995
2021/09/21	R2044	2044/01/31	8,750	1 300	1 300	3 640	10,605
2021/09/21	R2048	2048/02/28	8,750	1 300	1 300	3 725	10,525
2021/09/28	R2035	2035/02/28	8,875	1 300	1 300	3 230	10,480
2021/09/28	R2040	2040/01/31	9,000	1 300	1 300	2 675	10,870
2021/09/28	R2048	2048/02/28	8,750	1 300	1 300	3 655	10,800
2021/10/05	R2030	2030/01/31	8,000	1 300	1 300	3 420	9,395
2021/10/05	R2035	2035/02/28	8,875	1 300	1 300	4 585	10,610
2021/10/05	R2044	2044/01/31	8,750	1 300	1 300	4 575	10,995
2021/10/12	R2030	2030/01/31	8,000	1 300	1 300	2 150	9,600
2021/10/12	R2040	2040/01/31	9,000	1 300	1 300	2 240	10,900
2021/10/12	R2048	2048/02/28	8,750	1 300	1 300	2 370	10,840
2021/10/19	R2032	2032/03/31	8,250	1 300	1 300	4 835	10,020
2021/10/19	R2035	2035/02/28	8,875	1 300	1 300	3 065	10,490
2021/10/19	R2048	2048/02/28	8,750	1 300	1 300	3 430	10,770
2021/10/26	R2032	2032/03/31	8,250	1 300	1 300	3 805	10,055
2021/10/26	R2044	2044/01/31	8,750	1 300	1 300	3 115	10,920
2021/10/26	R2048	2048/02/28	8,750	1 300	1 300	2 765	10,880
2021/11/02	R2032	2032/03/31	8,250	1 300	1 300	5 915	10,120
2021/11/02	R2035	2035/02/28	8,875	1 300	1 300	4 265	10,515
2021/11/02	R2040	2040/01/31	9,000	1 300	1 300	3 365	10,850

7. ANNEXURES

Annexure F: Summary of fixed-rate bond auctions, 2021/22 *- Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2021/11/09	R2035	2035/02/28	8,875	1 300	1 300	6 530	10,110
2021/11/09	R2040	2040/01/31	9,000	1 300	1 300	5 135	10,440
2021/11/09	R2048	2048/02/28	8,750	1 300	1 300	4 350	10,410
2021/11/16	R2030	2030/01/31	8,000	1 300	1 300	2 845	9,425
2021/11/16	R2032	2032/03/31	8,250	1 300	1 300	2 525	9,930
2021/11/16	R2035	2035/02/28	8,875	1 300	1 300	3 135	10,310
2021/11/23	R2030	2030/01/31	8,000	1 300	1 300	4 935	9,650
2021/11/23	R213	2031/02/28	7,000	1 300	1 300	2 715	9,990
2021/11/23	R2035	2035/02/28	8,875	1 300	1 300	3 165	10,590
2021/11/30	R2030	2030/01/31	8,000	1 300	1 300	4 675	9,770
2021/11/30	R2037	2037/01/31	8,500	1 300	1 300	2 565	10,880
2021/11/30	R2040	2040/01/31	9,000	1 300	1 300	2 635	10,950
2021/12/07	R2032	2032/03/31	8,250	1 300	1 300	6 295	9,960
2021/12/07	R2040	2040/01/31	9,000	1 300	1 300	2 825	10,770
2021/12/07	R2048	2048/02/28	8,750	1 300	1 300	4 550	10,705
2021/12/14	R2032	2032/03/31	8,250	1 300	1 300	4 845	9,880
2021/12/14	R2037	2037/01/31	8,500	1 300	1 300	3 210	10,640
2021/12/14	R2048	2048/02/28	8,750	1 300	1 300	3 305	10,765
2022/01/11	R2030	2030/01/31	8,000	1 300	1 300	3 395	9,460
2022/01/11	R2037	2037/01/31	8,500	1 300	1 300	2 575	10,740
2022/01/11	R2044	2044/01/31	8,750	1 300	1 300	2 930	10,820
2022/01/18	R186	2026/12/21	10,500	1 300	1 300	6 595	7,790
2022/01/18	R2030	2030/01/31	8,000	1 300	1 300	3 565	9,440
2022/01/18	R2044	2044/01/31	8,750	1 300	1 300	3 610	10,670
2022/01/25	R186	2026/12/21	10,500	1 300	1 300	4 815	7,650
2022/01/25	R2035	2035/02/28	8,875	1 300	1 300	4 715	10,240
2022/01/25	R2040	2040/01/31	9,000	1 300	1 300	5 445	10,480
2022/02/01	R2032	2032/03/31	8,250	1 300	1 300	3 090	9,700
2022/02/01	R2040	2040/01/31	9,000	1 300	1 300	3 100	10,450
2022/02/01	R2048	2048/02/28	8,750	1 300	1 300	3 130	10,440
2022/02/08	R186	2026/12/21	10,500	1 300	1 300	5 410	7,795

7. ANNEXURES

Annexure F: Summary of fixed-rate bond auctions, 2021/22 *- Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
2022/02/08	R2032	2032/03/31	8,250	1 300	1 300	3 845	9,790
2022/02/08	R2040	2040/01/31	9,000	1 300	1 300	3 265	10,440
2022/02/15	R213	2031/02/28	7,000	1 300	1 300	3 640	9,415
2022/02/15	R2035	2035/02/28	8,875	1 300	1 300	5 400	9,980
2022/02/15	R2040	2040/01/31	9,000	1 300	1 300	4 025	10,280
2022/02/22	R2030	2030/01/31	8,000	1 300	1 300	4 185	9,170
2022/02/22	R2032	2032/03/31	8,250	1 300	1 300	4 215	9,570
2022/02/22	R2037	2037/01/31	8,500	1 300	1 300	3 785	10,170
2022/03/01	R186	2026/12/21	10,500	1 300	1 300	4 005	7,830
2022/03/01	R2032	2032/03/31	8,250	1 300	1 300	2 305	9,800
2022/03/01	R2035	2035/02/28	8,875	1 300	1 300	3 165	10,240
2022/03/08	R186	2026/12/21	10,500	1 300	1 300	4 140	8,680
2022/03/08	R2037	2037/01/31	8,500	1 300	1 300	4 490	11,110
2022/03/08	R2048	2048/02/28	8,750	1 300	1 300	3 200	11,220
2022/03/15	R186	2026/12/21	10,500	1 300	1 300	5 430	8,380
2022/03/15	R2037	2037/01/31	8,500	1 300	1 300	2 815	10,755
2022/03/15	R2044	2044/01/31	8,750	1 300	1 300	3 000	10,850
2022/03/22	R2030	2030/01/31	8,000	1 300	1 300	3 385	9,830
2022/03/22	R2032	2032/03/31	8,250	1 300	1 300	3 315	10,190
2022/03/22	R2044	2044/01/31	8,750	1 300	1 300	4 210	10,840
2022/03/29	R2032	2032/03/31	8,250	1 300	1 300	4 130	10,005
2022/03/29	R2035	2035/02/28	8,875	1 300	1 300	2 820	10,320
2022/03/29	R2048	2048/02/28	8,750	1 300	1 300	3 210	10,560

7. ANNEXURES

Annexure G: Summary of inflation-linked bond auctions, 2021/22

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
4/9/2021	I2025	1/31/2025	2,000	1 200	290	1 065	2,350
4/9/2021	I2038	1/31/2038	2,250		365	390	4,290
4/9/2021	I2046	3/31/2046	2,500		545	2 075	4,270
4/16/2021	I2029	3/31/2029	1,875	1 200	110	295	3,160
4/16/2021	I2038	1/31/2038	2,250		320	465	4,080
4/16/2021	I2050	12/31/2050	2,500		425	760	4,100
4/23/2021	I2025	1/31/2025	2,000	1 200	30	225	2,020
4/23/2021	I2033	3/28/2033	1,875		15	240	3,930
4/23/2021	I2046	3/31/2046	2,500		25	485	4,040
4/30/2021	I2025	1/31/2025	2,000	1 200	365	845	2,120
4/30/2021	I2038	1/31/2038	2,250		-	300	0,000
4/30/2021	I2050	12/31/2050	2,500		835	1 385	4,250
5/7/2021	I2029	3/31/2029	1,875	1 200	575	925	3,210
5/7/2021	I2038	1/31/2038	2,250		265	445	4,260
5/7/2021	I2046	3/31/2046	2,500		360	505	4,270
5/14/2021	I2025	1/31/2025	2,000	1 200	195	600	2,130
5/14/2021	I2033	3/28/2033	1,875		415	515	4,070
5/14/2021	I2050	12/31/2050	2,500		590	1 110	4,270
5/21/2021	I2029	3/31/2029	1,875	1 200	220	1 230	3,000
5/21/2021	I2038	1/31/2038	2,250		570	800	4,100
5/21/2021	I2050	12/31/2050	2,500		410	875	4,130
5/28/2021	I2025	1/31/2025	2,000	1 200	175	290	1,980
5/28/2021	I2038	1/31/2038	2,250		765	1 040	4,020
5/28/2021	I2046	3/31/2046	2,500		260	805	4,000
6/4/2021	I2029	3/31/2029	1,875	1 200	500	820	2,950
6/4/2021	I2038	1/31/2038	2,250		565	1 010	3,980
6/4/2021	I2050	12/31/2050	2,500		135	305	3,980
6/11/2021	I2029	3/31/2029	1,875	1 200	165	895	2,980
6/11/2021	I2033	3/28/2033	1,875		555	1 165	3,820
6/11/2021	I2046	3/31/2046	2,500		480	790	3,990
6/18/2021	I2033	3/28/2033	1,875	1 200	305	380	3,810

7. ANNEXURES

Annexure G: Summary of inflation-linked bond auctions, 2021/22 - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
6/18/2021	I2038	1/31/2038	2,250		735	760	4,050
6/18/2021	I2050	12/31/2050	2,500		10	155	3,900
6/25/2021	I2025	1/31/2025	2,000	1 200	80	80	2,140
6/25/2021	I2038	1/31/2038	2,250		295	355	4,080
6/25/2021	I2046	3/31/2046	2,500		335	435	4,800
7/2/2021	I2033	3/28/2033	1,875	1 200	175	435	4,030
7/2/2021	I2038	1/31/2038	2,250		415	495	4,260
7/2/2021	I2050	12/31/2050	2,500		610	735	4,260
7/9/2021	I2029	3/31/2029	1,875	1 200	780	1 005	3,110
7/9/2021	I2038	1/31/2038	2,250		105	715	4,160
7/9/2021	I2046	3/31/2046	2,500		315	720	4,200
7/16/2021	I2029	3/31/2029	1,875	1 200	780	970	3,140
7/16/2021	I2033	3/28/2033	1,875		120	185	3,890
7/16/2021	I2046	3/31/2046	2,500		300	440	4,220
7/23/2021	I2029	3/31/2029	1,875	1 200	600	700	3,320
7/23/2021	I2038	1/31/2038	2,250		-	965	0,000
7/23/2021	I2050	12/31/2050	2,500		600	600	4,420
7/30/2021	I2025	1/31/2025	2,000	1 200	185	285	2,300
7/30/2021	I2038	1/31/2038	2,250		670	1 270	4,330
7/30/2021	I2046	3/31/2046	2,500		345	810	4,360
8/6/2021	I2029	3/31/2029	1,875	1 200	535	540	3,160
8/6/2021	I2033	3/28/2033	1,875		235	305	3,970
8/6/2021	I2046	3/31/2046	2,500		445	445	4,285
8/13/2021	I2029	3/31/2029	1,875	1 200	120	300	3,210
8/13/2021	I2038	1/31/2038	2,250		425	550	4,250
8/13/2021	I2050	12/31/2050	2,500		655	720	4,320
8/20/2021	I2033	3/28/2033	1,875	1 200	15	90	4,000
8/20/2021	I2038	1/31/2038	2,250		305	1 000	4,260
8/20/2021	I2046	3/31/2046	2,500		880	1 890	4,320
8/27/2021	I2025	1/31/2025	2,000	1 200	40	140	2,250
8/27/2021	I2038	1/31/2038	2,250		675	975	4,240

7. ANNEXURES

Annexure G: Summary of inflation-linked bond auctions, 2021/22 - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
8/27/2021	I2050	12/31/2050	2,500		485	920	4,240
9/3/2021	I2033	3/28/2033	1,875	1 200	115	610	3,910
9/3/2021	I2038	1/31/2038	2,250		410	850	4,200
9/3/2021	I2046	3/31/2046	2,500		675	1 305	4,240
9/10/2021	I2025	1/31/2025	2,000	1 200	40	90	2,155
9/10/2021	I2033	3/28/2033	1,875		400	500	3,840
9/10/2021	I2050	12/31/2050	2,500		760	1 635	4,190
9/17/2021	I2029	3/31/2029	1,875	1 200	180	300	3,080
9/17/2021	I2038	1/31/2038	2,250		320	945	4,190
9/17/2021	I2046	3/31/2046	2,500		700	1 300	4,230
10/1/2021	I2033	3/28/2033	1,875	1 200	430	710	3,950
10/1/2021	I2038	1/31/2038	2,250		340	515	4,240
10/1/2021	I2050	12/31/2050	2,500		430	1 380	4,270
10/8/2021	I2029	3/31/2029	1,875	1 200	-	250	0,000
10/8/2021	I2038	1/31/2038	2,250		570	730	4,210
10/8/2021	I2050	12/31/2050	2,500		630	1 030	4,210
10/15/2021	I2025	1/31/2025	2,000	1 200	10	60	2,350
10/15/2021	I2033	3/28/2033	1,875		250	250	3,980
10/15/2021	I2046	3/31/2046	2,500		940	995	4,240
10/22/2021	I2033	3/28/2033	1,875	1 200	595	955	4,010
10/22/2021	I2046	3/31/2046	2,500		230	460	4,250
10/22/2021	I2050	12/31/2050	2,500		375	635	4,270
10/29/2021	I2033	3/28/2033	1,875	1 200	170	170	4,070
10/29/2021	I2038	1/31/2038	2,250		-	-	0,000
10/29/2021	I2046	3/31/2046	2,500		310	370	4,280
11/5/2021	I2029	3/31/2029	1,875	1 200	295	680	3,560
11/5/2021	I2046	3/31/2046	2,500		590	845	4,340
11/5/2021	I2050	12/31/2050	2,500		315	930	4,330
11/12/2021	I2033	3/28/2033	1,875	1 200	195	755	4,000
11/12/2021	I2038	1/31/2038	2,250		305	515	4,120
11/12/2021	I2050	12/31/2050	2,500		700	1 500	4,170

7. ANNEXURES

Annexure G: Summary of inflation-linked bond auctions, 2021/22 - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
11/19/2021	I2025	1/31/2025	2,000	1 200	-	10	0,000
11/19/2021	I2033	3/28/2033	1,875		-	-	0,000
11/19/2021	I2046	3/31/2046	2,500		325	395	4,050
11/26/2021	I2033	3/28/2033	1,875	1 200	350	635	4,190
11/26/2021	I2046	3/31/2046	2,500		450	910	4,315
11/26/2021	I2050	12/31/2050	2,500		100	620	4,260
12/3/2021	I2029	3/31/2029	1,875	1 200	15	915	3,780
12/3/2021	I2046	3/31/2046	2,500		875	1 975	4,395
12/3/2021	I2050	12/31/2050	2,500		310	1 565	4,360
12/10/2021	I2033	3/28/2033	1,875	1 200	240	650	3,950
12/10/2021	I2046	3/31/2046	2,500		480	725	4,000
12/10/2021	I2050	12/31/2050	2,500		480	765	4,055
12/17/2021	I2029	3/31/2029	1,875	1 200	230	360	3,870
12/17/2021	I2046	3/31/2046	2,500		510	930	3,980
12/17/2021	I2050	12/31/2050	2,500		460	820	3,990
1/7/2022	I2033	3/28/2033	1,875	1 200	315	590	3,860
1/7/2022	I2046	3/31/2046	2,500		485	715	3,910
1/7/2022	I2050	12/31/2050	2,500		400	420	3,920
1/14/2022	I2033	3/28/2033	1,875	1 200	-	35	0,000
1/14/2022	I2038	1/31/2038	2,250		475	525	4,010
1/14/2022	I2050	12/31/2050	2,500		725	845	4,020
1/21/2022	I2038	1/31/2038	2,250	1 200	400	525	4,090
1/21/2022	I2046	3/31/2046	2,500		300	800	4,090
1/21/2022	I2050	12/31/2050	2,500		500	685	4,120
1/28/2022	I2029	3/31/2029	1,875	1 200	450	980	3,580
1/28/2022	I2038	1/31/2038	2,250		120	200	4,020

7. ANNEXURES

Annexure G: Summary of inflation-linked bond auctions, 2021/22 - *Continued*

Issue date	Bond code	Maturity	Coupon (%)	Offer amount (R'm)	Allocated amount (R'm)	Bids received (R'm)	Clearing yield (%)
1/28/2022	I2050	12/31/2050	2,500		630	870	4,030
2/4/2022	I2033	3/28/2033	1,875	1 200	370	520	3,860
2/4/2022	I2046	3/31/2046	2,500		535	655	3,910
2/4/2022	I2050	12/31/2050	2,500		295	445	3,920
2/11/2022	I2025	1/31/2025	2,000	1 200	680	865	2,500
2/11/2022	I2038	1/31/2038	2,250		-	25	0,000
2/11/2022	I2046	3/31/2046	2,500		520	580	3,860
2/18/2022	I2029	3/31/2029	1,875	1 200	900	1 730	3,315
2/18/2022	I2046	3/31/2046	2,500		190	210	3,820
2/18/2022	I2050	12/31/2050	2,500		110	255	3,820
2/25/2022	I2029	3/31/2029	1,875	1 200	340	1 190	3,255
2/25/2022	I2038	1/31/2038	2,250		60	70	3,850
2/25/2022	I2050	12/31/2050	2,500		50	85	3,850
3/4/2022	I2025	1/31/2025	2,000	1 200	1 085	2 715	2,370
3/4/2022	I2033	3/28/2033	1,875		45	550	3,850
3/4/2022	I2046	3/31/2046	2,500		70	610	3,910
3/11/2022	I2025	1/31/2025	2,000	1 200	1 110	1 165	2,280
3/11/2022	I2033	3/28/2033	1,875		-	40	0,000
3/11/2022	I2038	1/31/2038	2,250		20	420	3,890
3/18/2022	I2025	1/31/2025	2,000	1 200	60	60	2,295
3/18/2022	I2038	1/31/2038	2,250		-	-	0,000
3/18/2022	I2046	3/31/2046	2,500		230	430	4,010
3/25/2022	I2029	3/31/2029	1,875	1 200	210	1 155	3,310
3/25/2022	I2046	3/31/2046	2,500		470	970	4,090
3/25/2022	I2050	12/31/2050	2,500		520	975	4,100

7. ANNEXURES

Annexure H: Glossary

Auction	A process whereby 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 the payment of the original investment plus interest on a specified future date.
Liquidity	The ease of converting an asset to cash.
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.
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 Limited is the authorised central securities depository for the 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.
Yield	A financial return or interest paid to the buyers of bonds. The yield considers 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.

7. ANNEXURES

Annexure I: Abbreviations and acronyms

CFI	Cooperative financial institution
COVID-19	Coronavirus disease
CPI	Consumer price index
CPD	Corporation for Public Deposits
ETP	Electronic trading platform
Fitch	Fitch Ratings
GDP	Gross domestic product
JSE	Johannesburg Stock Exchange
LIBOR	London interbank offered rate
Moody's	Moody's Investors Service
MTBPS	Medium-Term Budget Policy Statement
Repo	Repurchase
RSA	Republic of South Africa
S&P Global	S&P Global Ratings
SARB	South African Reserve Bank
Strate	Share Transactions Totally Electronic Limited
US	United States of America

NOTES

NOTES

NOTES

2021/22
DEBT MANAGEMENT
Report

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5944 | Fax: +27 12 406 9055 | **www.treasury.gov.za**

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA