

## Daily Fixed Income Report (16 June 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the Namibian dollar strengthened against the US dollar. In the US, the NAHB housing market index improved in June. While the euro mostly declined against most of the major currencies. (Figure 3)

- After conducting a thorough analysis of the data presented in Table 2, it was observed that all government bond yields exhibited a modest increase, except the GC23 which matures this year. Specifically, the GC2026 bond increased from 9.81 at 9.83%. Additionally, the longer-term GC2048 bond witnessed an uptick, rising from 13.74% to 13.76%.
- The changes observed may be affected by the the global recoveries of bond yields observed in the markets
- Table 1 exhibited mixed signals in Fixed-term deposits yesterday

Table 1: Fixed Term Deposits

| Term      | 16-Jun-23 | 19-Jun-23 |
|-----------|-----------|-----------|
| 1 Month   | 7.56      | 7.59      |
| 2 Months  | 7.70      | 7.73      |
| 3 Months  | 7.89      | 7.90      |
| 4 Months  | 7.98      | 7.99      |
| 5 Months  | 8.08      | 8.10      |
| 6 Months  | 8.39      | 8.38      |
| 7 Months  | 8.46      | 8.48      |
| 8 Months  | 8.53      | 8.54      |
| 9 Months  | 8.59      | 8.59      |
| 10 Months | 8.65      | 8.65      |
| 11 Months | 8.73      | 8.73      |
| 12 Months | 8.79      | 8.78      |

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

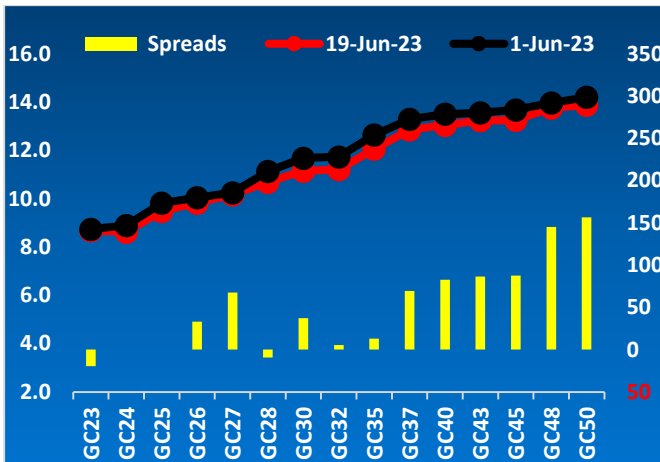
| Bonds | Coupon | Maturity  | YTM (%)  |           |           | DTDA<br>(bps) | Prices<br>19-Jun-23 |
|-------|--------|-----------|----------|-----------|-----------|---------------|---------------------|
|       |        |           | 1-Jun-23 | 16-Jun-23 | 19-Jun-23 |               |                     |
| GC23  | 8.85   | 15-Oct-23 | 8.74     | 8.79      | 8.68      | -11.86        | 101.01              |
| GC24  | 10.5   | 15-Oct-24 | 8.89     | 8.60      | 8.62      | 1.80          | 103.08              |
| GC25  | 8.5    | 15-Apr-25 | 9.82     | 9.46      | 9.48      | 1.90          | 98.86               |
| GC26  | 8.5    | 15-Apr-26 | 10.05    | 9.81      | 9.83      | 1.80          | 97.34               |
| GC27  | 8      | 15-Jan-27 | 10.25    | 10.15     | 10.17     | 1.70          | 94.47               |
| GC28  | 8.5    | 15-Oct-28 | 11.13    | 10.67     | 10.69     | 1.30          | 90.72               |
| GC30  | 8      | 15-Jan-30 | 11.68    | 11.14     | 11.15     | 1.20          | 84.50               |
| GC32  | 9      | 15-Apr-32 | 11.73    | 11.20     | 11.21     | 1.50          | 86.38               |
| GC35  | 9.5    | 15-Jul-35 | 12.64    | 12.04     | 12.06     | 1.70          | 81.96               |
| GC37  | 9.5    | 15-Jul-37 | 13.29    | 12.84     | 12.85     | 1.60          | 77.28               |
| GC40  | 9.8    | 15-Oct-40 | 13.50    | 13.02     | 13.04     | 1.90          | 76.57               |
| GC43  | 10     | 15-Jul-43 | 13.55    | 13.22     | 13.24     | 2.13          | 76.84               |
| GC45  | 9.85   | 15-Jul-45 | 13.68    | 13.23     | 13.25     | 2.13          | 74.66               |
| GC48  | 10     | 15-Oct-48 | 13.97    | 13.74     | 13.76     | 2.31          | 74.21               |
| GC50  | 10.25  | 15-Jul-50 | 14.21    | 13.85     | 13.87     | 2.31          | 74.00               |

Source: BoN & HEI Research

**Important disclosure:**

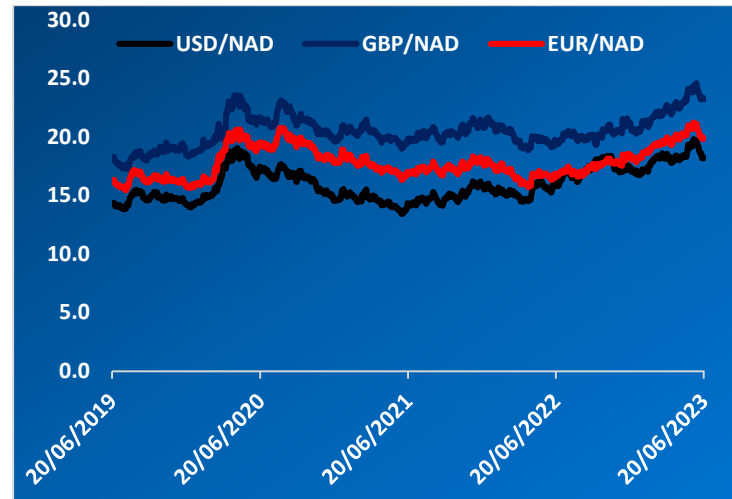
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 19-June-2023



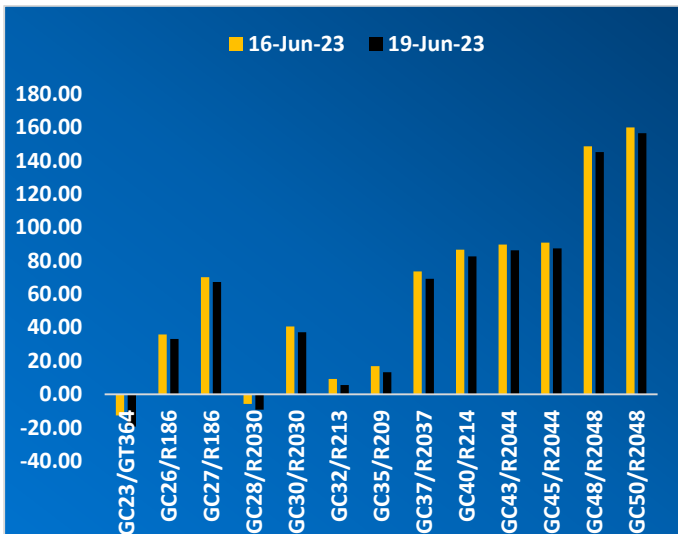
Source: BoN & HEI Research

Figure 3: FX Trends



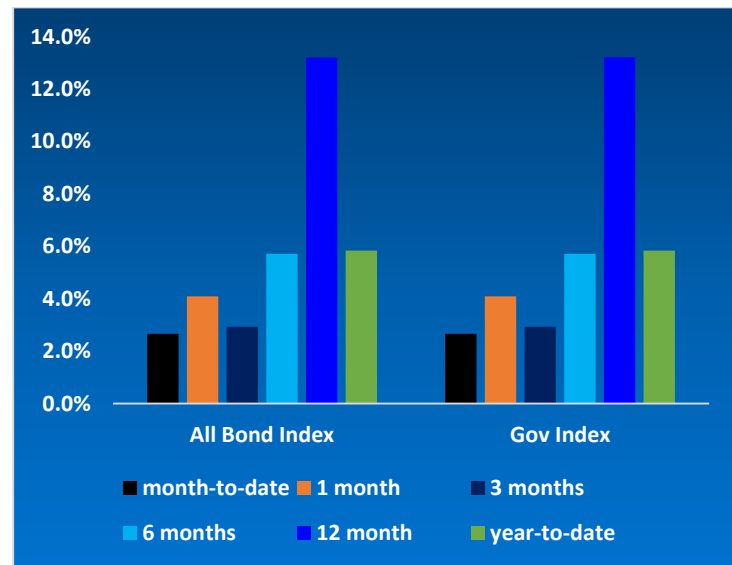
Source: Tradingview & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 16-June-2023 vs. 19-June-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%)



Source: HEI Database