



Daily Fixed Income Report (22 June 2023)

HEI FIXED INCOME MARKET COMMENTARY

- At 05:30 CAT, the Namibian dollar traded 0.4% higher against the US dollar at N\$18.5889, while the euro traded 0.2% higher at N\$20.3349. At 05:30 SAST, the British pound gained 0.1% against the Namibian dollar, trading at N\$23.6348. Yesterday, the euro mostly declined against most of the major currencies. In the eurozone, the consumer confidence index improved in June. In the UK, the GfK consumer confidence index rose to a 17-month high in June. At 05:30 CAT, the euro slipped 0.2% against the US dollar to

trade at \$1.0939, while it gained 0.1% against the British pound to trade at GBP0.8606 (Figure 3)

- There was a decline in most government bond yields. Notably, the GC2026 bond saw a decrease from 9.65% to 9.58%. Furthermore, the longer-term GC2048 bond also experienced a decline, dropping from 13.64% to 13.62% (Table 2)
- The NAM vs. SA bond daily yield spread declined for the majority of bonds, except for the GC30/R30 which marginally rose (Figure 2)
- The observed changes could potentially be influenced by the performance of the World Government Bond Index
- Table 1 exhibited a slight decline in Fixed-term deposits yesterday

Table 1: Fixed Term Deposits

<i>Term</i>	21-Jun-23	22-Jun-23
<i>1 Month</i>	7.61	7.60
<i>2 Months</i>	7.75	7.74
<i>3 Months</i>	7.95	7.94
<i>4 Months</i>	8.03	8.01
<i>5 Months</i>	8.13	8.11
<i>6 Months</i>	8.36	8.35
<i>7 Months</i>	8.48	8.46
<i>8 Months</i>	8.54	8.53
<i>9 Months</i>	8.63	8.61
<i>10 Months</i>	8.68	8.66
<i>11 Months</i>	8.75	8.74
<i>12 Months</i>	8.81	8.80

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

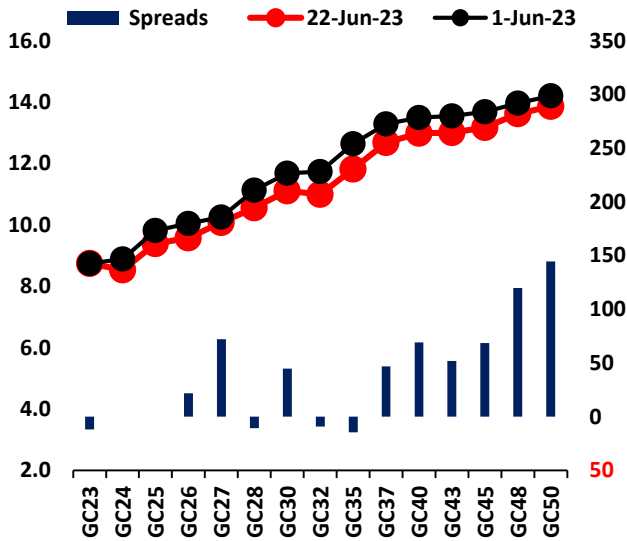
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			1-Jun-23	21-Jun-23	22-Jun-23	(bps)	22-Jun-23
GC23	8.85	15-Oct-23	8.74	8.68	8.74	6.05	99.99
GC24	10.5	15-Oct-24	8.89	8.55	8.53	-1.80	102.38
GC25	8.5	15-Apr-25	9.82	9.41	9.39	-1.80	98.53
GC26	8.5	15-Apr-26	10.05	9.65	9.58	-7.00	97.37
GC27	8	15-Jan-27	10.25	10.09	10.08	-1.60	93.89
GC28	8.5	15-Oct-28	11.13	10.61	10.56	-4.90	91.76
GC30	8	15-Jan-30	11.68	11.12	11.11	-1.00	85.75
GC32	9	15-Apr-32	11.73	11.04	10.99	-4.70	88.89
GC35	9.5	15-Jul-35	12.64	11.91	11.81	-9.10	85.30
GC37	9.5	15-Jul-37	13.29	12.72	12.68	-3.09	79.33
GC40	9.8	15-Oct-40	13.50	12.97	12.98	0.82	78.23
GC43	10	15-Jul-43	13.55	13.04	13.01	-2.85	78.71
GC45	9.85	15-Jul-45	13.68	13.16	13.17	1.15	76.27
GC48	10	15-Oct-48	13.97	13.64	13.62	-1.98	74.86
GC50	10.25	15-Jul-50	14.21	13.85	13.87	1.50	74.59

Source: BoN & HEI Research

Important disclosure:

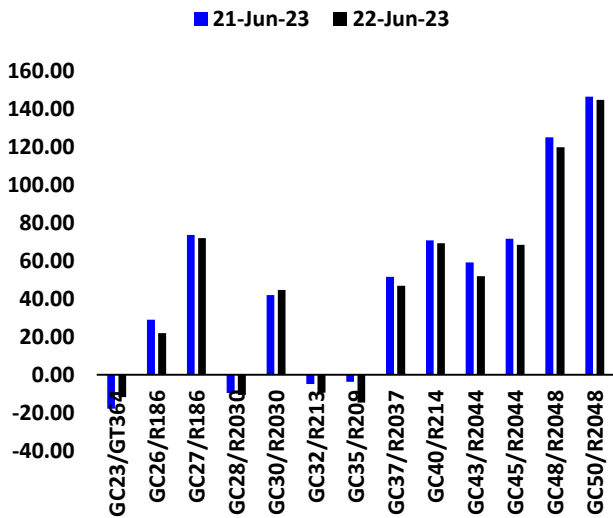
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 22-June-2023



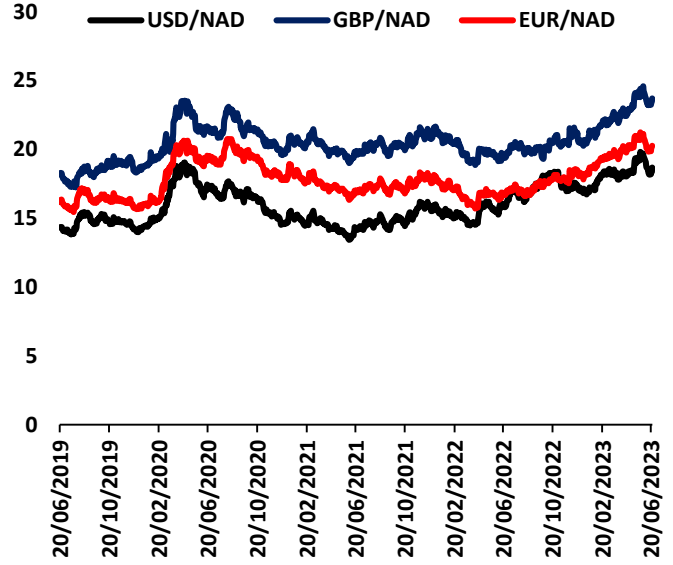
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 21-June-2023 vs. 22-June-2023



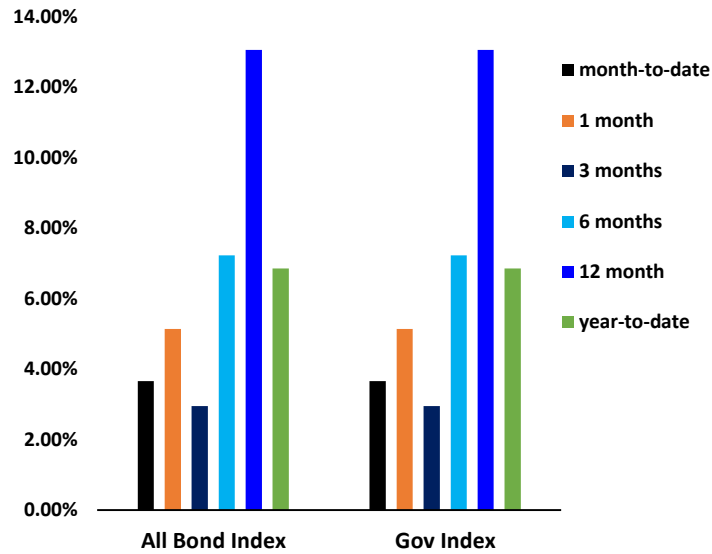
Source: BoN & HEI Research

Figure 3: FX Trends



Source: Tradingview & HEI Research

Figure 4: Total Bond Returns (%)



Source: HEI Database

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