

## Daily Fixed Income Report (28 June 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar showed a modest increase of 0.2% against the Namibian dollar, reaching a value of N\$ 18.6892. Similarly, the euro experienced a slight upward movement and was trading marginally higher at N\$20.3596. In addition, the British pound demonstrated a 0.1% gain against the Namibian dollar, resulting in a trading value of N\$23.5952. (Figure 3)
- The GC2026 bond saw a stand still at 9.48%. Furthermore, the longer-term GC2048 bond also experienced a decline, dropping from 13.58% to 13.51% (Table 2)
- For the majority of bonds (as depicted in Figure 2), there was a marginal decline in the daily yield spread in longer dated bond maturities
- A possible explanation for the consistent decline in bond yields could be that investors are rearranging their portfolio based on the risk appetite
- As analyzed in Figure 4, total returns on bond continues to increase drastically given the favorable interest rates conditions.
- Table 1 demonstrated no change in fixed-term deposits

**Table 1: Fixed Term Deposits**

<i>Term</i>	<b>27-Jun-23</b>	<b>28-Jun-23</b>
<i>1 Month</i>	7.75	7.75
<i>2 Months</i>	7.90	7.90
<i>3 Months</i>	7.96	7.96
<i>4 Months</i>	8.03	8.03
<i>5 Months</i>	8.10	8.10
<i>6 Months</i>	8.36	8.36
<i>7 Months</i>	8.48	8.48
<i>8 Months</i>	8.54	8.54
<i>9 Months</i>	8.60	8.60
<i>10 Months</i>	8.69	8.69
<i>11 Months</i>	8.76	8.76
<i>12 Months</i>	8.81	8.81

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

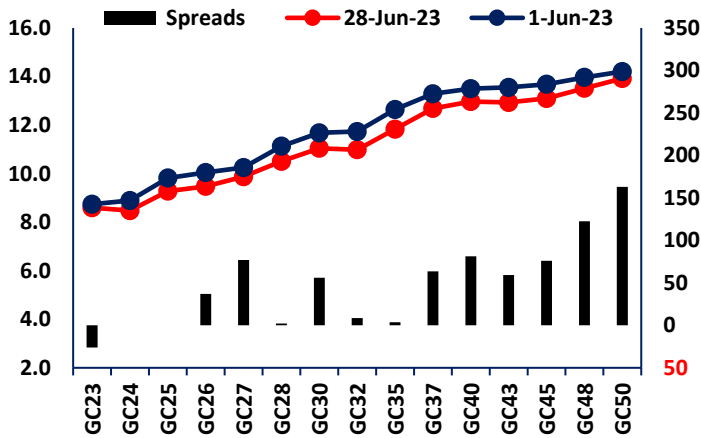
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			1-Jun-23	27-Jun-23	28-Jun-23	(bps)	28-Jun-23
GC23	8.85	15-Oct-23	8.74	8.68	8.59	-8.15	100.03
GC24	10.5	15-Oct-24	8.89	8.49	8.48	-1.12	102.41
GC25	8.5	15-Apr-25	9.82	9.29	9.28	-1.12	98.72
GC26	8.5	15-Apr-26	10.05	9.48	9.48	-0.12	97.63
GC27	8	15-Jan-27	10.25	9.89	9.87	-1.13	94.49
GC28	8.5	15-Oct-28	11.13	10.49	10.51	1.87	91.98
GC30	8	15-Jan-30	11.68	11.05	11.05	-0.37	86.05
GC32	9	15-Apr-32	11.73	10.97	10.99	1.75	88.95
GC35	9.5	15-Jul-35	12.64	11.83	11.83	0.00	85.21
GC37	9.5	15-Jul-37	13.29	12.69	12.69	-0.25	79.33
GC40	9.8	15-Oct-40	13.50	13.00	12.97	-3.00	78.31
GC43	10	15-Jul-43	13.55	12.98	12.93	-4.50	79.15
GC45	9.85	15-Jul-45	13.68	13.14	13.10	-4.17	76.69
GC48	10	15-Oct-48	13.97	13.58	13.51	-6.33	75.43
GC50	10.25	15-Jul-50	14.21	13.94	13.92	-2.00	74.31

**Source: BoN & HEI Research**

**Important disclosure:**

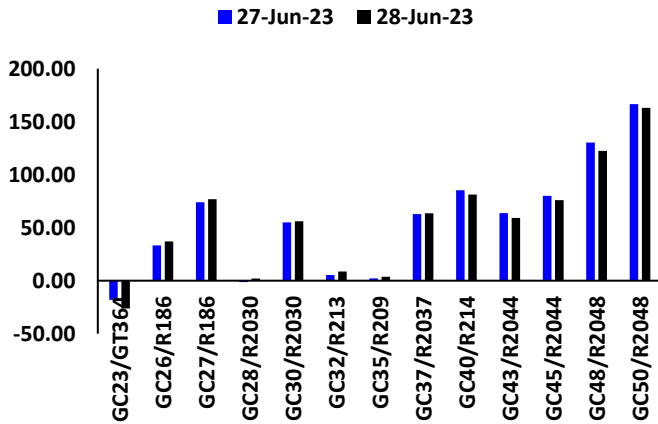
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 28-June-2023



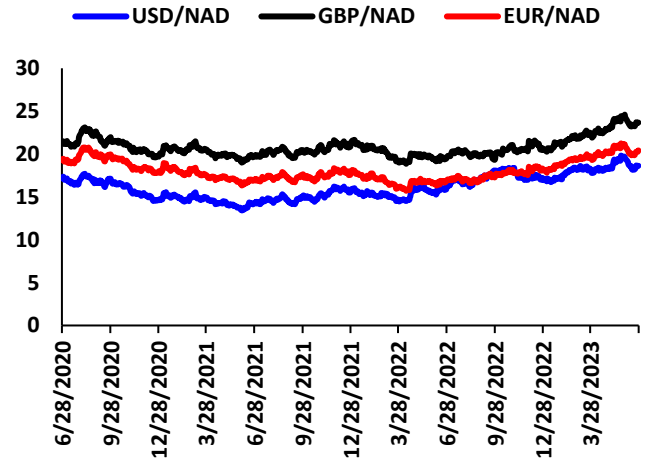
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 27-June-2023 vs. 28-June-2023



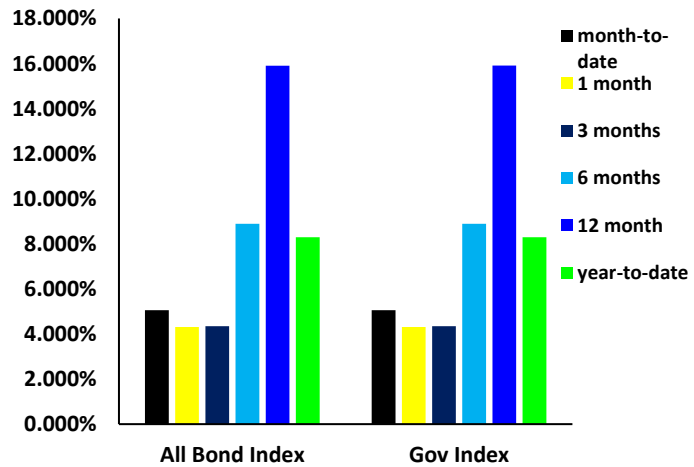
Source: BoN & HEI Research

Figure 3: Historic FX Trends to date



Source: Tradingview & HEI Research

Figure 4: Total Bond Returns as at 28 June 2023 (%)



Source: HEI Database

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