

Daily Fixed Income Report (29 June 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar traded marginally lower against the Namibian dollar at N\$ 18.7546. Similarly, the euro experienced similar movement and was trading at N\$20.3825. In addition, the British pound demonstrated a decline against the Namibian dollar, resulting in a trading value of N\$23.6919. (Figure 3)
- The GC2026 bond yield saw a decline from 9.48% to 9.41%. Furthermore, the longer-term GC2048 bond also experienced a marginal decline, dropping from 13.51% to 13.50% (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 decline could be attributed to the capital flows into Nam bonds from SA bonds as indicated by prevailing data
- As analyzed in Figure 4, total returns on bond continues to increase significantly
- Table 1 indicates substantial decline in fixed-term deposits

Table 1: Fixed Term Deposits

<i>Term</i>	28-Jun-23	29-Jun-23
<i>1 Month</i>	7.75	7.75
<i>2 Months</i>	7.90	7.90
<i>3 Months</i>	7.96	7.95
<i>4 Months</i>	8.03	8.01
<i>5 Months</i>	8.10	8.09
<i>6 Months</i>	8.36	8.34
<i>7 Months</i>	8.48	8.45
<i>8 Months</i>	8.54	8.51
<i>9 Months</i>	8.60	8.58
<i>10 Months</i>	8.69	8.68
<i>11 Months</i>	8.76	8.75
<i>12 Months</i>	8.81	8.79

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

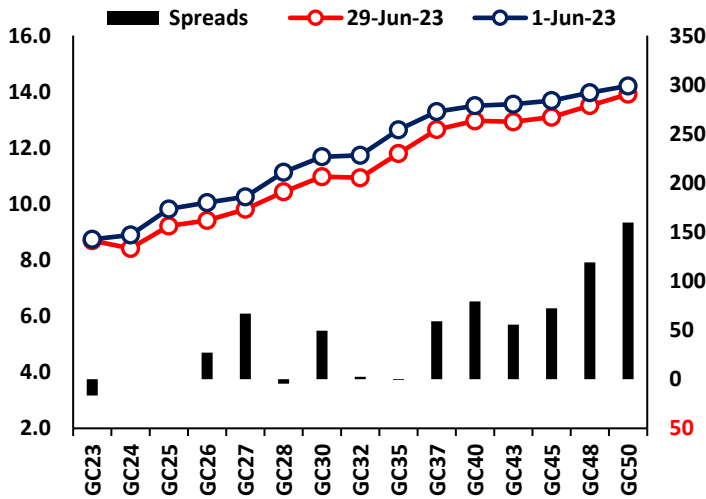
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Jun-23	28-Jun-23	29-Jun-23	(bps)	29-Jun-23
GC23	8.85	15-Oct-23	8.74	8.59	8.69	9.50	100.00
GC24	10.5	15-Oct-24	8.89	8.48	8.41	-6.44	102.48
GC25	8.5	15-Apr-25	9.82	9.28	9.21	-6.31	98.82
GC26	8.5	15-Apr-26	10.05	9.48	9.41	-6.44	97.78
GC27	8	15-Jan-27	10.25	9.87	9.81	-6.56	94.68
GC28	8.5	15-Oct-28	11.13	10.51	10.43	-7.56	92.27
GC30	8	15-Jan-30	11.68	11.05	10.97	-7.56	86.37
GC32	9	15-Apr-32	11.73	10.99	10.93	-5.63	89.24
GC35	9.5	15-Jul-35	12.64	11.83	11.80	-3.38	85.41
GC37	9.5	15-Jul-37	13.29	12.69	12.65	-3.62	79.53
GC40	9.8	15-Oct-40	13.50	12.97	12.96	-0.75	78.36
GC43	10	15-Jul-43	13.55	12.93	12.93	-0.65	79.19
GC45	9.85	15-Jul-45	13.68	13.10	13.09	-0.65	76.73
GC48	10	15-Oct-48	13.97	13.51	13.50	-1.00	75.49
GC50	10.25	15-Jul-50	14.21	13.92	13.91	-1.00	74.37

Source: BoN & HEI Research

Important disclosure:

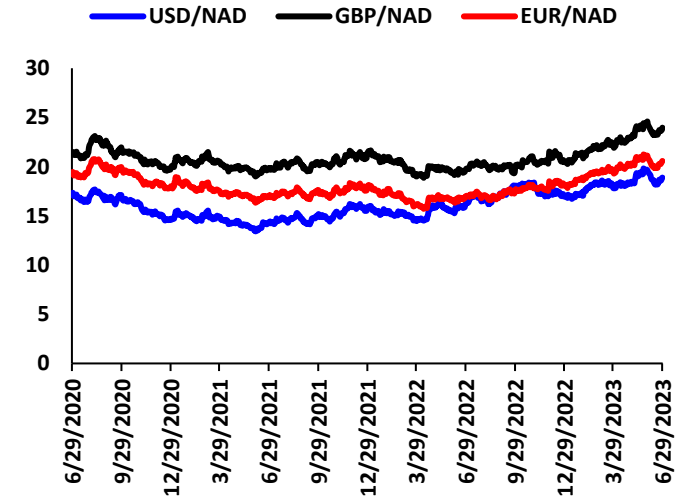
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 29-June-2023



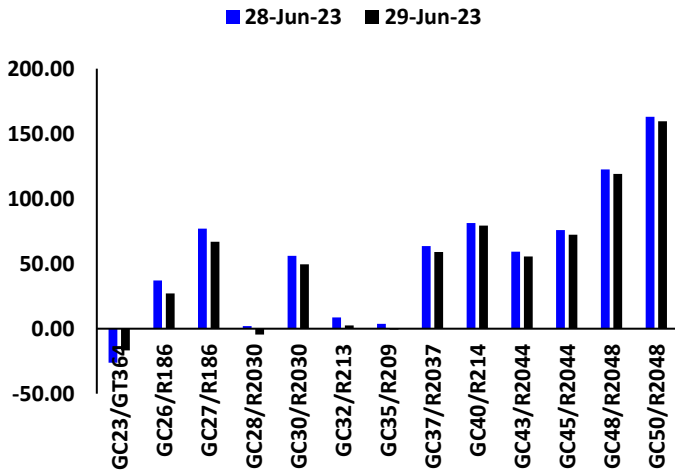
Source: BoN & HEI Research

Figure 3: Historic FX Trends to date



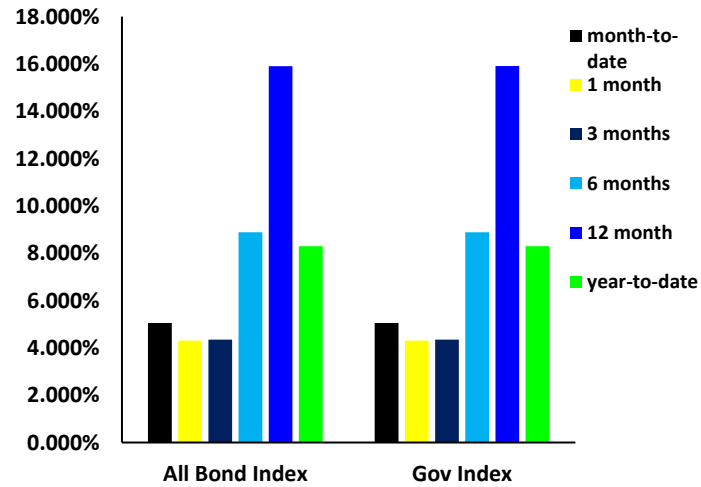
Source: Tradingview & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 28-June-2023 vs. 29-June-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 29 June 2023 (%)



Source: HEI Database

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