

## Daily Fixed Income Report (3 July 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the Namibian dollar has seen the US dollar trading down 0.1% at N\$18.7709, while the euro is experiencing a slight decrease and trading marginally lower at N\$20.4716. Furthermore, the British pound has also declined by 0.2% against the Namibian dollar, with the exchange rate currently standing at N\$23.8157 (Figure 3)
- The yield of the GC2026 bond experienced a slight increase, moving up from 9.42% to 9.43%. Furthermore, the yield of the longer-term

GC2048 bond exhibited a negligible decrease, remaining unchanged at 13.49%. (Table 2)

- Figure 2 illustrates that there were no changes in the daily bond spread
- According to the analysis presented in Figure 4, there is a notable and continuous growth in total returns on bonds. Interestingly, the cumulative return over one month surpasses the returns over three months, indicating a higher rate of return within the shorter time period.
- Table 1 indicated no change in fixed-term deposits

**Table 1: Fixed Term Deposits**

<i>Term</i>	<b>30-Jun-23</b>	<b>3-Jul-23</b>
<i>1 Month</i>	8.75	8.75
<i>2 Months</i>	8.90	8.90
<i>3 Months</i>	8.95	8.95
<i>4 Months</i>	9.01	9.01
<i>5 Months</i>	9.09	9.09
<i>6 Months</i>	9.34	9.34
<i>7 Months</i>	9.45	9.45
<i>8 Months</i>	9.51	9.51
<i>9 Months</i>	9.58	9.58
<i>10 Months</i>	9.68	9.68
<i>11 Months</i>	9.75	9.75
<i>12 Months</i>	9.79	9.79

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

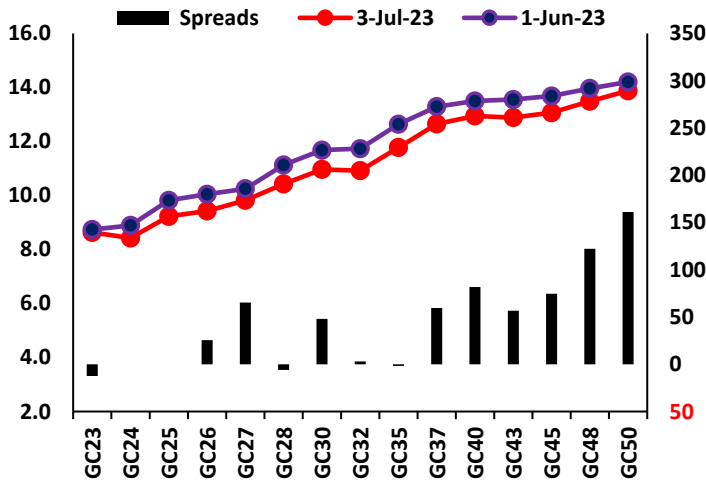
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			1-Jun-23	30-Jun-23	3-Jul-23	(bps)	3-Jul-23
GC23	8.85	15-Oct-23	8.74	8.60	8.63	2.95	100.01
GC24	10.5	15-Oct-24	8.89	8.42	8.43	0.55	102.45
GC25	8.5	15-Apr-25	9.82	9.22	9.23	0.58	98.80
GC26	8.5	15-Apr-26	10.05	9.42	9.43	0.56	97.76
GC27	8	15-Jan-27	10.25	9.82	9.82	0.56	94.66
GC28	8.5	15-Oct-28	11.13	10.43	10.43	-0.32	92.29
GC30	8	15-Jan-30	11.68	10.97	10.97	-0.32	86.40
GC32	9	15-Apr-32	11.73	10.92	10.92	-0.38	89.30
GC35	9.5	15-Jul-35	12.64	11.79	11.78	-1.55	85.53
GC37	9.5	15-Jul-37	13.29	12.65	12.65	-0.12	79.54
GC40	9.8	15-Oct-40	13.50	12.95	12.94	-0.86	78.45
GC43	10	15-Jul-43	13.55	12.91	12.89	-2.33	79.42
GC45	9.85	15-Jul-45	13.68	13.09	13.07	-2.33	76.89
GC48	10	15-Oct-48	13.97	13.49	13.49	-0.43	75.57
GC50	10.25	15-Jul-50	14.21	13.90	13.88	-2.10	74.54

**Source: BoN & HEI Research**

**Important disclosure:**

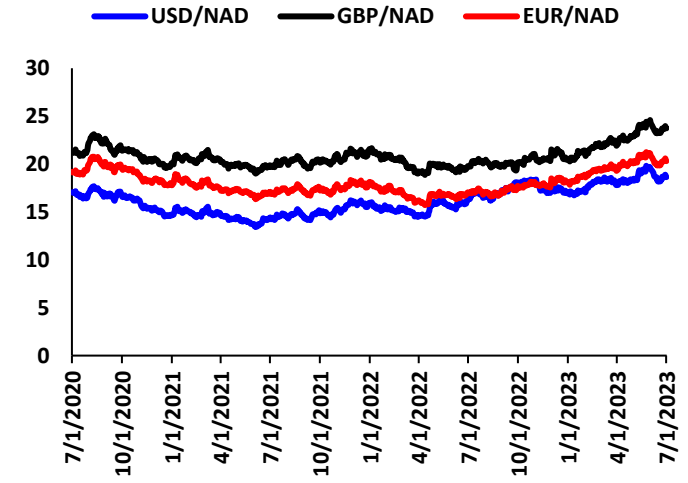
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Figure 1. Namibia Bond Yield: 01-June-2023 vs. 3-July-2023



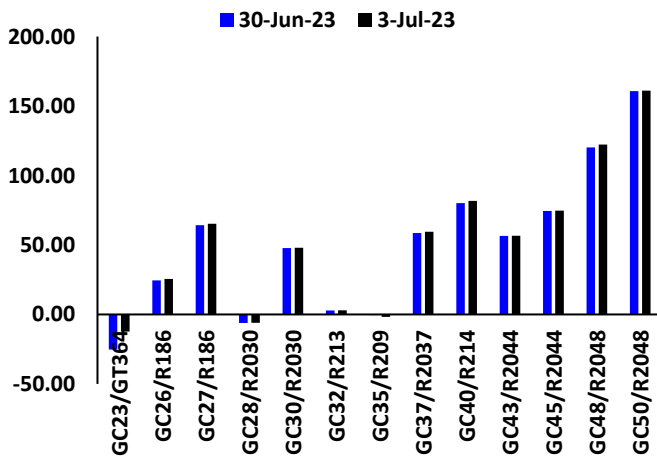
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 3<sup>rd</sup> July 2023



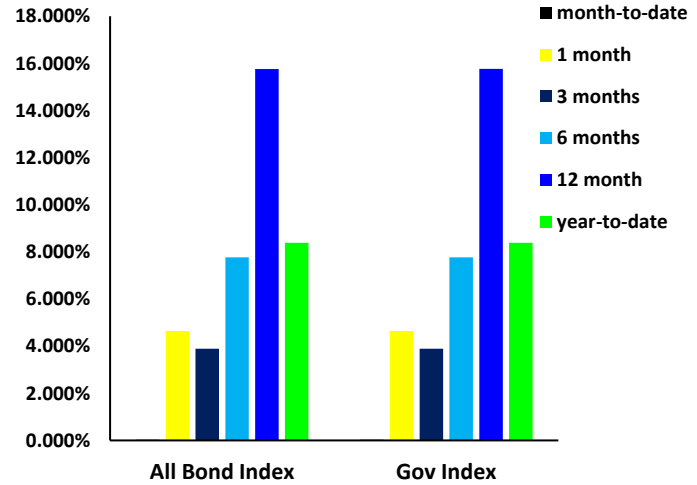
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 30-June-2023 vs. 3-July-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 3<sup>rd</sup> July 2023 (%)



Source: Bloomberg & HEI Database

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