



Daily Fixed Income Report (5 July 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the Namibian dollar has seen the US dollar trade at N\$18.7784, marking a 0.1% decrease, while the euro has experienced a 0.2% decline to trade at N\$ 20.3626. Additionally, the British pound has also weakened by 0.1% against the Namibian dollar, reaching N\$23.8552 (Figure 3)
- The GC2026 bond's yield underwent a minor decrease, dropping from 9.44% to 9.43%. In contrast, the yield of the GC2048 bond, which has a longer-term, saw a substantial rise, climbing from 13.43% to 13.46%. (Table 2)
- Figure 2 displayed a noteworthy surge in the daily bond spread for GC27/R186, whereas the remaining spreads experienced a moderate increase
- Based on the analysis depicted in Figure 4, there is a significant decrease in bond returns for the current month.
- Table 1 indicated no change in fixed-term deposits

Table 1: Fixed Term Deposits

<i>Term</i>	3-Jul-23	4-Jul-23
<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

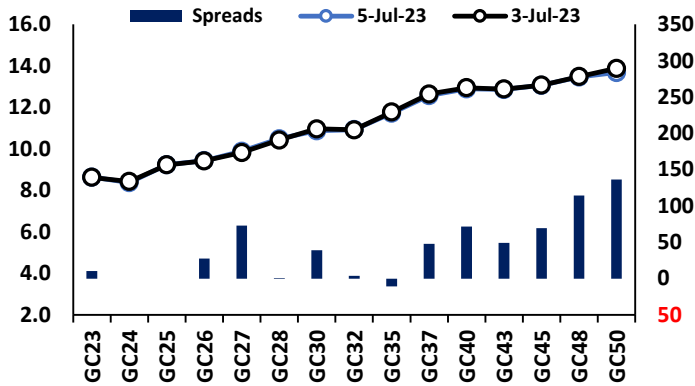
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			3-Jul-23	4-Jul-23	5-Jul-23	(bps)	5-Jul-23
GC23	8.85	15-Oct-23	8.63	8.61	8.64	2.13	100.01
GC24	10.5	15-Oct-24	8.43	8.39	8.38	-1.10	102.50
GC25	8.5	15-Apr-25	9.23	9.25	9.23	-1.10	98.80
GC26	8.5	15-Apr-26	9.43	9.44	9.43	-1.10	97.74
GC27	8	15-Jan-27	9.82	9.76	9.89	12.44	94.48
GC28	8.5	15-Oct-28	10.43	10.44	10.49	5.15	92.07
GC30	8	15-Jan-30	10.97	10.88	10.87	-0.40	86.81
GC32	9	15-Apr-32	10.92	10.89	10.93	3.33	89.26
GC35	9.5	15-Jul-35	11.78	11.71	11.72	1.00	85.87
GC37	9.5	15-Jul-37	12.65	12.54	12.57	3.49	79.98
GC40	9.8	15-Oct-40	12.94	12.85	12.89	4.11	78.76
GC43	10	15-Jul-43	12.89	12.80	12.86	5.87	79.59
GC45	9.85	15-Jul-45	13.07	13.00	13.06	5.80	76.92
GC48	10	15-Oct-48	13.49	13.43	13.46	2.69	75.74
GC50	10.25	15-Jul-50	13.88	13.65	13.68	3.24	75.62

Source: BoN & HEI Research

Important disclosure:

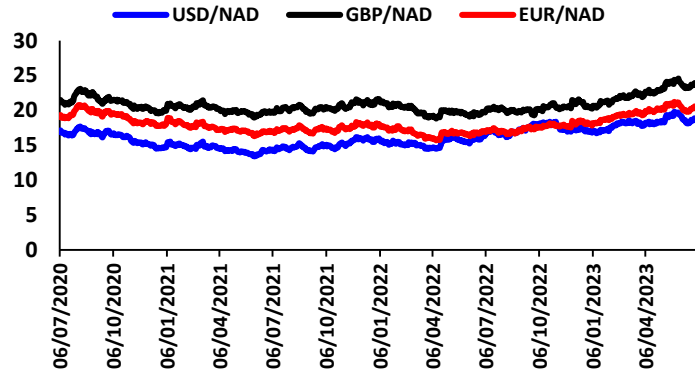
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 5-July-2023



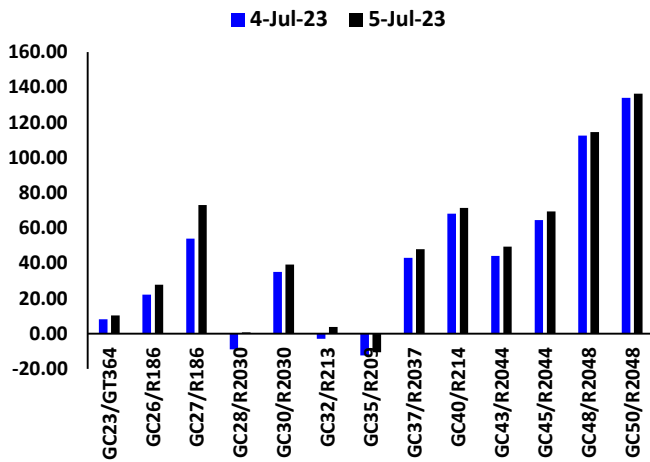
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 6 July 2023



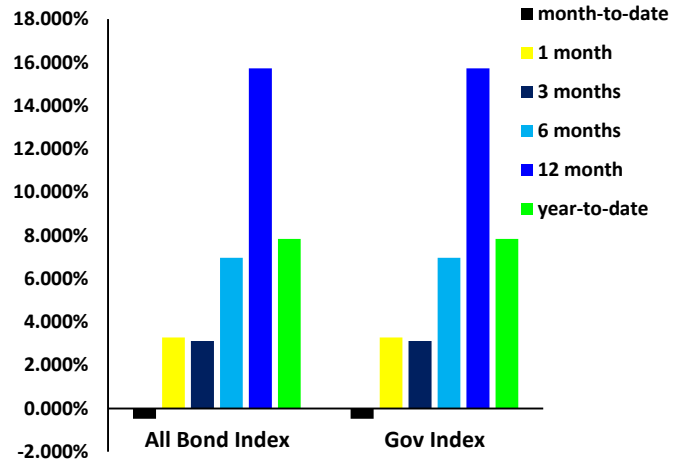
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 4-July 2023 vs. 5-July-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 5 July 2023 (%)



Source: Bloomberg & HEI Database

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