

Daily Fixed Income Report (26 July 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar is trading 1.02% higher against the Namibia dollar at N\$17.7613, while the euro was trading 0.31% marginally elevated at N\$19.5850. Furthermore, the British pound slightly declined by 0.09% against the Namibia to trade at N\$22.7783 (Figure 3)

- The yield of the GC2026 bond declined from 9.17% to 9.15%. Additionally, the GC2048 bond's yield experienced a decline from 13.15% to 13.13% (Table 2)
- Figure 2 displayed significant decline in the daily bond spreads with across all maturities.
- Based on the analysis depicted in Figure 4, total bond returns significantly increased
- Table 1 indicated that fixed-term deposits remained unchanged.

Table 1: Fixed Term Deposits

<i>Term</i>	26-Jul-23	27-Jul-23
<i>1 Month</i>	7.82	7.82
<i>2 Months</i>	7.88	7.88
<i>3 Months</i>	7.91	7.91
<i>4 Months</i>	8.00	8.00
<i>5 Months</i>	8.04	8.04
<i>6 Months</i>	8.34	8.34
<i>7 Months</i>	8.41	8.41
<i>8 Months</i>	8.47	8.47
<i>9 Months</i>	8.53	8.53
<i>10 Months</i>	8.64	8.64
<i>11 Months</i>	8.69	8.69
<i>12 Months</i>	8.78	8.78

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

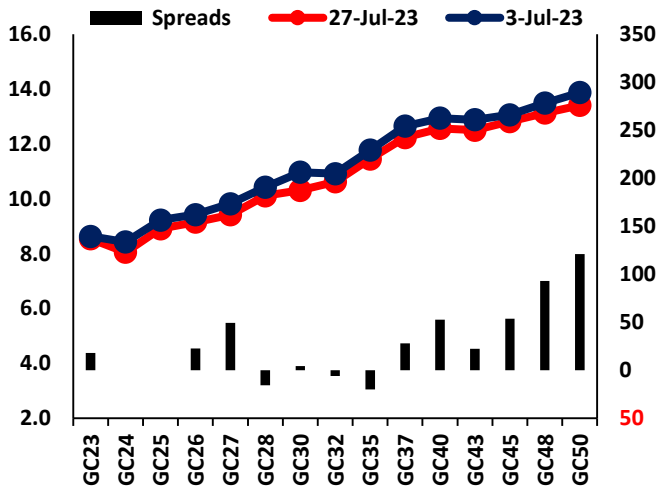
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			3-Jul-23	26-Jul-23	27-Jul-23	(bps)	27-Jul-23
GC23	8.85	15-Oct-23	8.63	8.49	8.54	5.71	100.02
GC24	10.5	15-Oct-24	8.43	8.06	8.05	-1.30	102.76
GC25	8.5	15-Apr-25	9.23	8.92	8.91	-1.30	99.33
GC26	8.5	15-Apr-26	9.43	9.17	9.15	-1.50	98.44
GC27	8	15-Jan-27	9.82	9.43	9.42	-1.50	95.89
GC28	8.5	15-Oct-28	10.43	10.14	10.11	-2.70	93.57
GC30	8	15-Jan-30	10.97	10.35	10.31	-3.70	89.29
GC32	9	15-Apr-32	10.92	10.65	10.62	-2.90	90.89
GC35	9.5	15-Jul-35	11.78	11.47	11.45	-2.10	87.44
GC37	9.5	15-Jul-37	12.65	12.26	12.24	-2.40	81.88
GC40	9.8	15-Oct-40	12.94	12.58	12.57	-1.20	80.65
GC43	10	15-Jul-43	12.89	12.52	12.51	-1.12	81.73
GC45	9.85	15-Jul-45	13.07	12.83	12.82	-1.00	78.34
GC48	10	15-Oct-48	13.49	13.15	13.13	-2.20	77.61
GC50	10.25	15-Jul-50	13.88	13.43	13.41	-2.06	77.14

Source: BoN & HEI Research

Important disclosure:

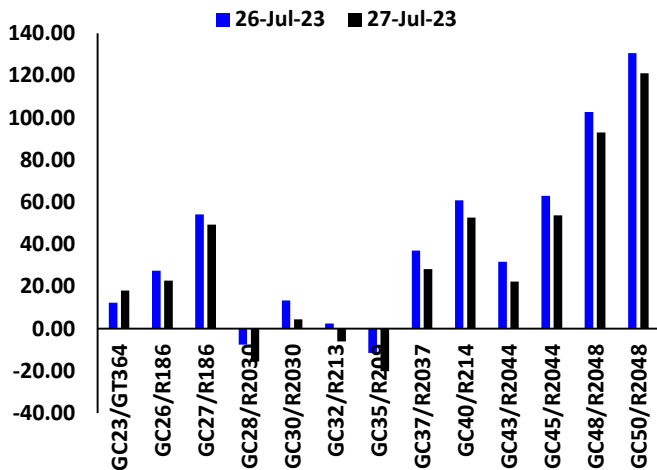
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 26-July-2023



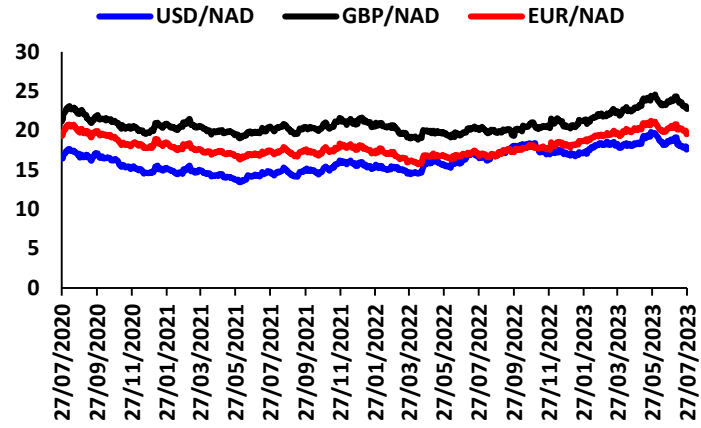
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 27-July 2023 vs. 26-July-2023



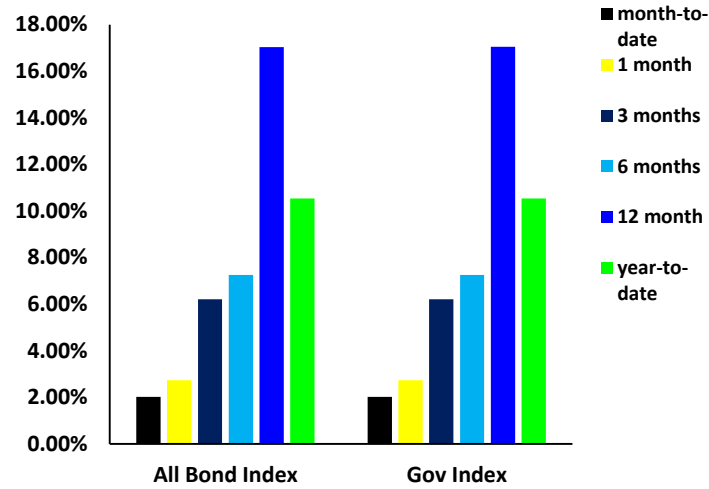
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 27th July 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 27th July 2023 (%)



Source: Bloomberg & HEI Database

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