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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

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

Source: BoN & HEI Research

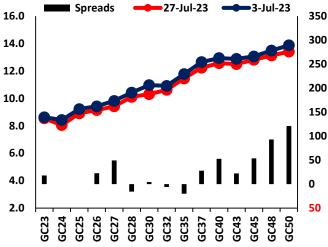
Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTD∆	Prices
		3-Jul-23	26-Jul-23	27-Jul-23	(bps)	27-Jul-23
8.85	15-Oct-23	8.63	8.49	8.54	5.71	100.02
10.5	15-Oct-24	8.43	8.06	8.05	-1.30	102.76
8.5	15-Apr-25	9.23	8.92	8.91	-1.30	99.33
8.5	15-Apr-26	9.43	9.17	9.15	-1.50	98.44
8	15-Jan-27	9.82	9.43	9.42	-1.50	95.89
8.5	15-Oct-28	10.43	10.14	10.11	-2.70	93.57
8	15-Jan-30	10.97	10.35	10.31	-3.70	89.29
9	15-Apr-32	10.92	10.65	10.62	-2.90	90.89
9.5	15-Jul-35	11.78	11.47	11.45	-2.10	87.44
9.5	15-Jul-37	12.65	12.26	12.24	-2.40	81.88
9.8	15-Oct-40	12.94	12.58	12.57	-1.20	80.65
10	15-Jul-43	12.89	12.52	12.51	-1.12	81.73
9.85	15-Jul-45	13.07	12.83	12.82	-1.00	78.34
10	15-Oct-48	13.49	13.15	13.13	-2.20	77.61
10.25	15-Jul-50	13.88	13.43	13.41	-2.06	77.14
	8.85 10.5 8.5 8.5 8 8 8 9 9.5 9.5 9.5 9.8 10 9.85 10	Image: straig of the	3-Jul-23 8.85 15-Oct-23 8.63 10.5 15-Oct-24 8.43 8.5 15-Apr-25 9.23 8.5 15-Apr-26 9.43 8.5 15-Apr-26 9.43 8 15-Jan-27 9.82 8.5 15-Oct-28 10.43 8 15-Jan-30 10.97 9 15-Apr-32 10.92 9.5 15-Jul-35 11.78 9.5 15-Jul-37 12.65 9.8 15-Oct-40 12.94 10 15-Jul-43 12.89 9.85 15-Jul-45 13.07 10 15-Oct-48 13.49	13-Jul-2326-Jul-238.8515-Oct-238.638.4910.515-Oct-248.438.068.515-Apr-259.238.928.515-Apr-269.439.17815-Jan-279.829.438.515-Oct-2810.4310.14815-Jan-3010.9710.35915-Apr-3210.9210.659.515-Jul-3511.7811.479.515-Jul-3712.6512.269.815-Oct-4012.9412.581015-Jul-4312.8912.529.8515-Jul-4513.0712.831015-Oct-4813.4913.15	13-Jul-2326-Jul-2327-Jul-238.8515-Oct-238.638.498.5410.515-Oct-248.438.068.058.515-Apr-259.238.928.918.515-Apr-269.439.179.15815-Jan-279.829.439.428.515-Oct-2810.4310.1410.11815-Jan-3010.9710.3510.31915-Apr-3210.9210.6510.629.515-Jul-3511.7811.4711.459.515-Jul-3712.6512.2612.249.815-Oct-4012.9412.5812.571015-Jul-4312.8912.5212.519.8515-Jul-4513.0712.8312.821015-Oct-4813.4913.1513.13	13-Jul-2326-Jul-2327-Jul-23(bps)8.8515-Oct-238.638.498.545.7110.515-Oct-248.438.068.05-1.308.515-Apr-259.238.928.91-1.308.515-Apr-269.439.179.15-1.50815-Jan-279.829.439.42-1.508.515-Oct-2810.4310.1410.11-2.70815-Jan-3010.9710.3510.31-3.70915-Apr-3210.9210.6510.62-2.909.515-Jul-3511.7811.4711.45-2.109.815-Jul-3712.6512.2612.24-2.409.815-Oct-4012.9412.5812.57-1.201015-Jul-4313.0712.8312.82-1.001015-Oct-4813.0913.1513.13-2.20

Table 2. Namibia Government Bonds

Source: BoN & HEI Research

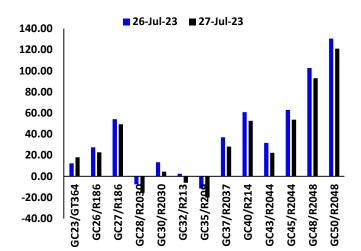
Important disclosure:

Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.



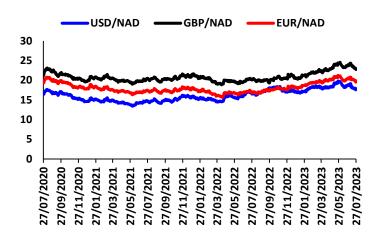
Source: BoN & HEI Research

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



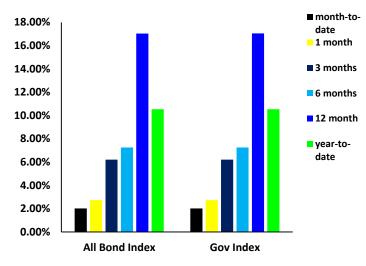
Source: BoN & HEI Research

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