

## Daily Fixed Income Report (28 July 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the US dollar is trading 0.17% higher against the Namibia dollar at N\$17.79, while the euro was trading 0.26% marginally lower at N\$19.53. Furthermore, the British pound slightly declined by 0.04% against the Namibia to trade at N\$22.76 (Figure 3)
- The yield of the GC2026 bond declined from 9.15% to 9.14%. Additionally, the GC2048 bond's yield experienced a decline from 13.13% to 13.09% (Table 2)
- Figure 2 displayed significant increase 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 declined on 1 and 2 month basis.

**Table 1: Fixed Term Deposits**

<i>Term</i>	<b>27-Jul-23</b>	<b>28-Jul-23</b>
<i>1 Month</i>	7.82	7.66
<i>2 Months</i>	7.88	7.74
<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**

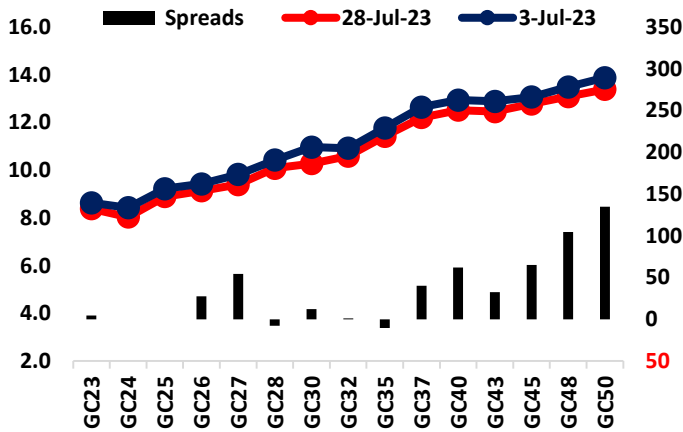
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			3-Jul-23	27-Jul-23	28-Jul-23	(bps)	28-Jul-23
GC23	8.85	15-Oct-23	8.63	8.54	8.39	-15.51	100.05
GC24	10.5	15-Oct-24	8.43	8.05	8.04	-1.50	102.77
GC25	8.5	15-Apr-25	9.23	8.91	8.90	-1.50	99.36
GC26	8.5	15-Apr-26	9.43	9.15	9.14	-1.41	98.48
GC27	8	15-Jan-27	9.82	9.42	9.40	-1.30	95.92
GC28	8.5	15-Oct-28	10.43	10.11	10.08	-2.75	93.68
GC30	8	15-Jan-30	10.97	10.31	10.28	-2.75	89.41
GC32	9	15-Apr-32	10.92	10.62	10.60	-2.65	91.03
GC35	9.5	15-Jul-35	11.78	11.45	11.43	-2.48	87.59
GC37	9.5	15-Jul-37	12.65	12.24	12.21	-2.30	82.02
GC40	9.8	15-Oct-40	12.94	12.57	12.52	-4.73	80.93
GC43	10	15-Jul-43	12.89	12.51	12.46	-4.88	82.03
GC45	9.85	15-Jul-45	13.07	12.82	12.78	-3.71	78.56
GC48	10	15-Oct-48	13.49	13.13	13.09	-3.99	77.84
GC50	10.25	15-Jul-50	13.88	13.41	13.39	-1.77	77.24

**Source: BoN & HEI Research**

**Important disclosure:**

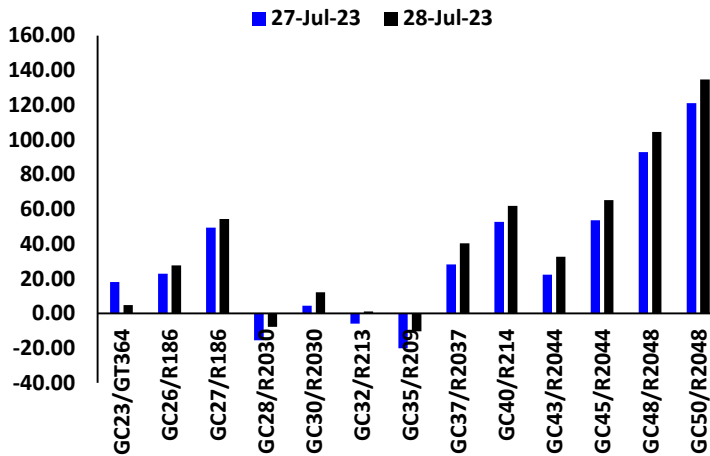
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 28-July-2023



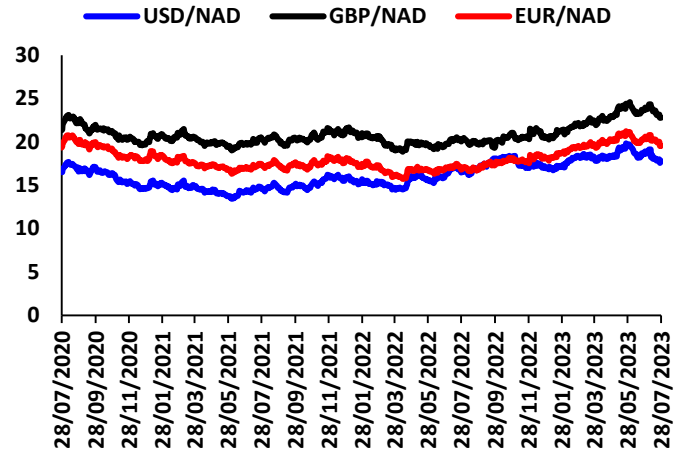
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 28-July 2023 vs. 27-July-2023



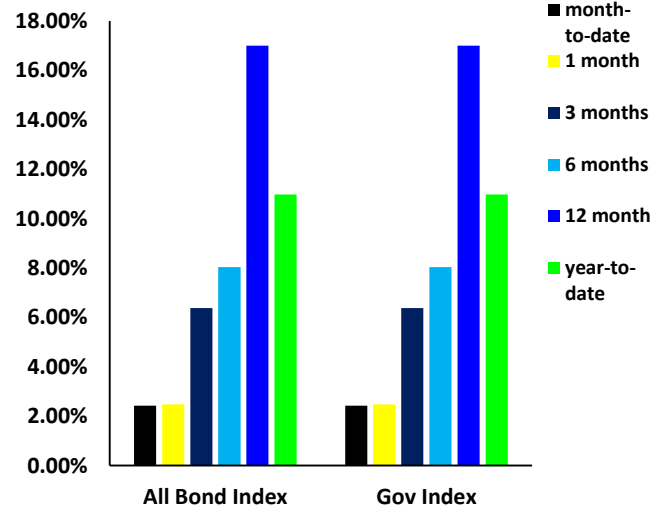
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 28<sup>th</sup> July 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 28<sup>th</sup> July 2023 (%)



Source: Bloomberg & HEI Database

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