



Daily Fixed Income Report (28 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.1% lower against the Namibian dollar at N\$18.52, while the Euro was trading 0.9% lower at N\$20.03. Furthermore, the British pound slightly declined against the Namibian dollar by 0.6% trading at N\$23.38 (Figure 3)

- The yield of the GC2026 bond remained unchanged at 9.08%. Additionally, the GC2048 bond's yield also experienced deteriorated by 3.25 basis points, declining from 12.96% to 12.93%.(Table 2)
- The Nam vs SA Spreads continues to widen drastically for longer-dated bond maturities (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns declined, when compared to the previous day
- Table 1 indicated significant decline in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	25-Aug-23	28-Aug-23
1 Month	7.65	7.65
2 Months	7.72	7.72
3 Months	7.73	7.71
4 Months	7.77	7.75
5 Months	7.86	7.85
6 Months	8.16	8.15
7 Months	8.24	8.21
8 Months	8.29	8.27
9 Months	8.35	8.33
10 Months	8.45	8.38
11 Months	8.53	8.47
12 Months	8.59	8.55

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

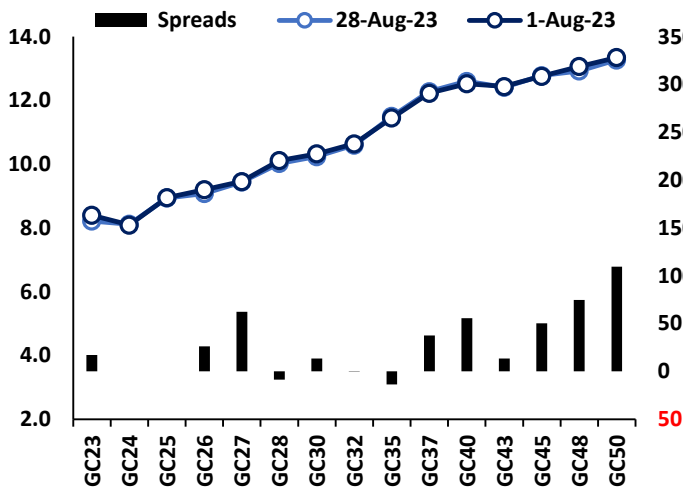
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Aug-23	25-Aug-23	28-Aug-23	(bps)	28-Aug-23
GC23	8.85	15-Oct-23	8.40	8.16	8.22	6.39	100.05
GC24	10.5	15-Oct-24	8.09	8.14	8.12	-1.90	102.50
GC25	8.5	15-Apr-25	8.95	8.96	8.94	-1.70	99.33
GC26	8.5	15-Apr-26	9.20	9.08	9.08	0.04	98.65
GC27	8	15-Jan-27	9.46	9.46	9.44	-1.70	95.89
GC28	8.5	15-Oct-28	10.12	10.04	10.03	-1.40	93.98
GC30	8	15-Jan-30	10.33	10.24	10.24	0.20	89.66
GC32	9	15-Apr-32	10.64	10.60	10.60	0.62	91.05
GC35	9.5	15-Jul-35	11.45	11.53	11.50	-2.80	87.18
GC37	9.5	15-Jul-37	12.23	12.30	12.28	-2.10	81.67
GC40	9.8	15-Oct-40	12.53	12.62	12.60	-2.40	80.49
GC43	10	15-Jul-43	12.44	12.44	12.41	-3.13	82.30
GC45	9.85	15-Jul-45	12.76	12.79	12.78	-0.87	78.56
GC48	10	15-Oct-48	13.07	12.96	12.93	-3.25	78.80
GC50	10.25	15-Jul-50	13.35	13.31	13.27	-3.25	77.91

Source: BoN & HEI Research

Important disclosure:

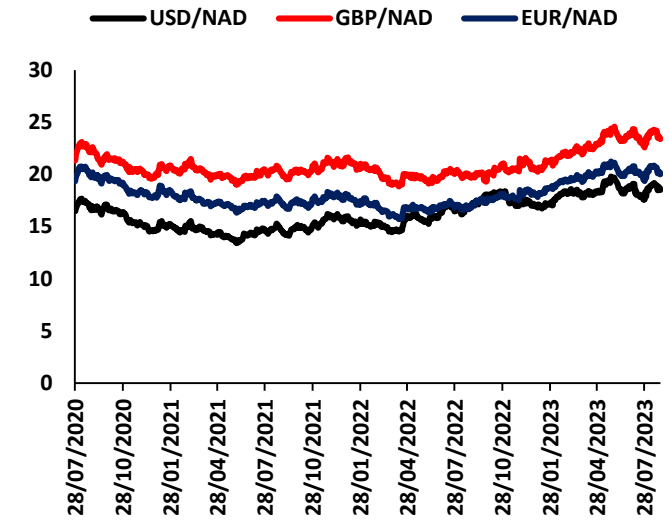
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 28-August-2023



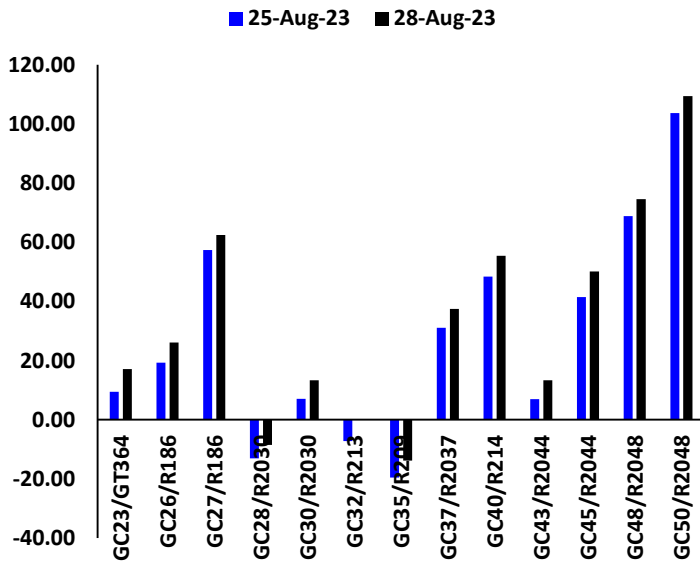
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 28-August 2023



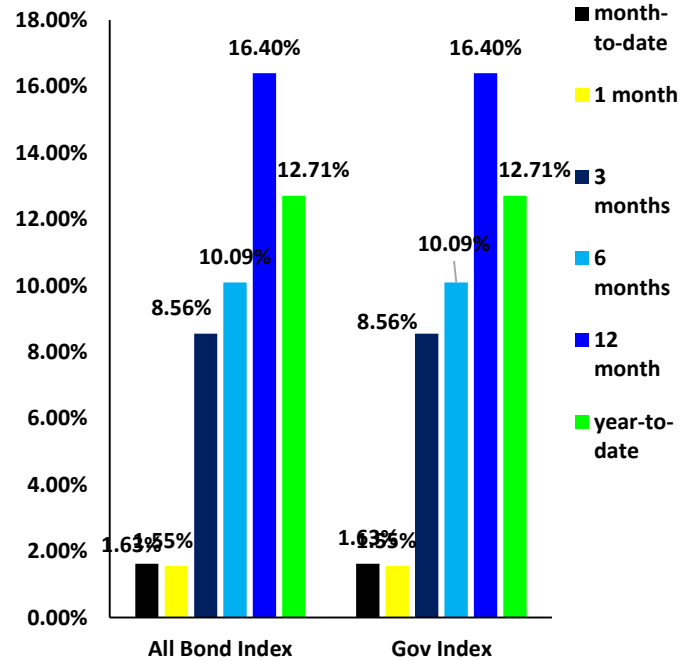
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 25-August-2023 vs. 28-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 28-August 2023 (%)



Source: Bloomberg & HEI Database

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