

Daily Fixed Income Report (20 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.01% slightly higher against the Namibian dollar at N\$18.72, while the Euro was trading 1.5% higher at N\$20.43. Furthermore, the British pound slightly traded higher against the Namibian dollar by 1.5% trading at N\$23.74 (Figure 3)

- The yield of the GC2026 bond declined by 0.80bps from 9.98% to 8.97%. Additionally, the GC2048 bond's yield soared by 4.37bps, declining from 12.89% to 12.94%. (Table 2)
- The Namibian bond spreads soared when compared to South African bonds (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns increased, when compared to the previous day
- Table 1 indicated no changes in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	29-Aug-23	30-Aug-23
1 Month	7.65	7.65
2 Months	7.72	7.72
3 Months	7.71	7.71
4 Months	7.75	7.75
5 Months	7.85	7.84
6 Months	8.15	8.15
7 Months	8.21	8.21
8 Months	8.27	8.28
9 Months	8.33	8.33
10 Months	8.38	8.38
11 Months	8.47	8.47
12 Months	8.55	8.55

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

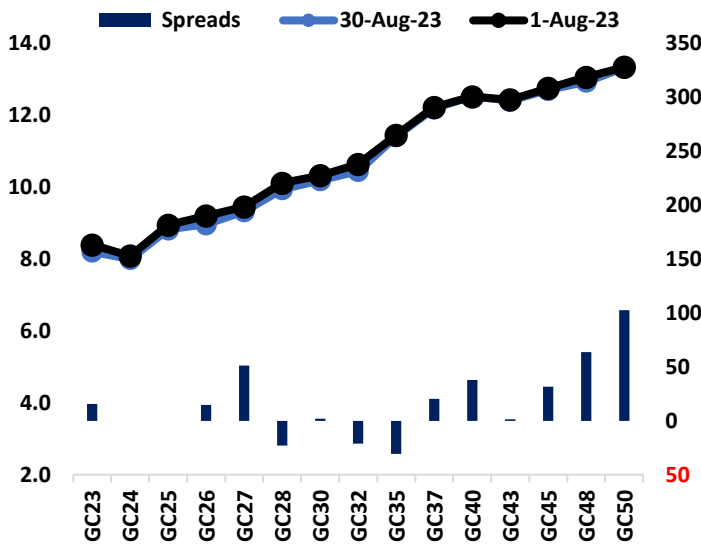
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Aug-23	29-Aug-23	30-Aug-23	(bps)	30-Aug-23
GC23	8.85	15-Oct-23	8.40	8.18	8.21	2.18	100.05
GC24	10.5	15-Oct-24	8.09	8.01	8.00	-0.80	102.62
GC25	8.5	15-Apr-25	8.95	8.84	8.83	-0.80	99.50
GC26	8.5	15-Apr-26	9.20	8.98	8.97	-0.80	98.91
GC27	8	15-Jan-27	9.46	9.34	9.33	-0.80	96.20
GC28	8.5	15-Oct-28	10.12	9.93	9.94	1.70	94.29
GC30	8	15-Jan-30	10.33	10.18	10.19	1.70	89.88
GC32	9	15-Apr-32	10.64	10.49	10.45	-4.10	91.85
GC35	9.5	15-Jul-35	11.45	11.46	11.42	-4.01	87.65
GC37	9.5	15-Jul-37	12.23	12.22	12.19	-3.20	82.16
GC40	9.8	15-Oct-40	12.53	12.56	12.54	-2.09	80.86
GC43	10	15-Jul-43	12.44	12.37	12.41	3.50	82.33
GC45	9.85	15-Jul-45	12.76	12.74	12.71	-3.00	78.97
GC48	10	15-Oct-48	13.07	12.89	12.94	4.37	78.73
GC50	10.25	15-Jul-50	13.35	13.30	13.33	2.25	77.60

Source: BoN & HEI Research

Important disclosure:

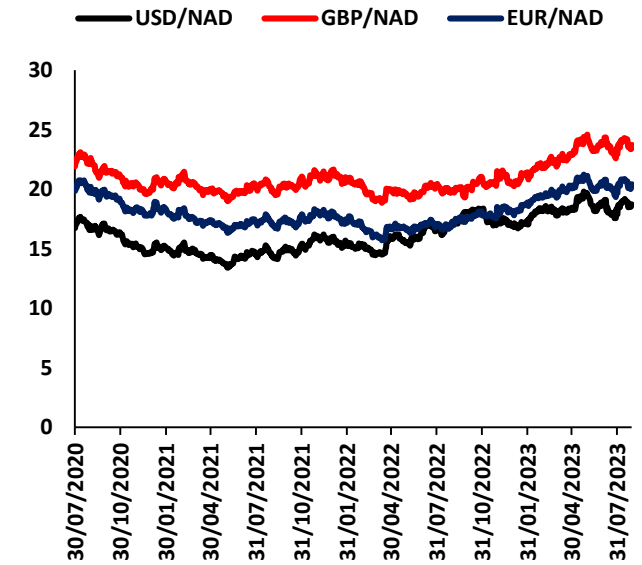
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 30-August-2023



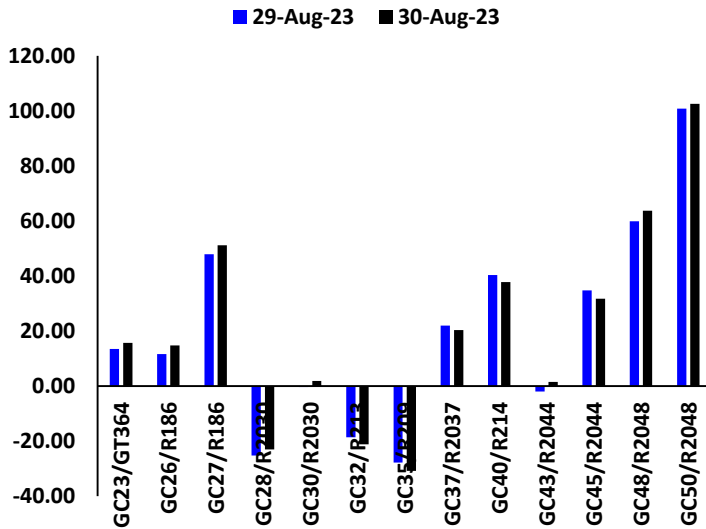
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 30-August 2023



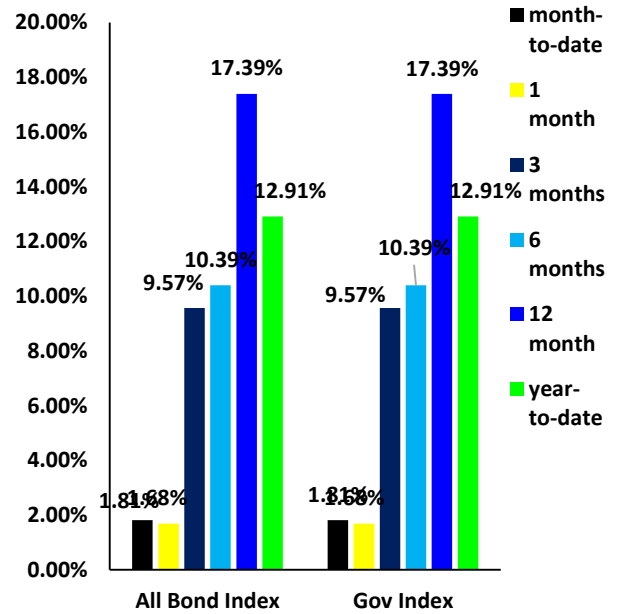
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 29-August-2023 vs. 30-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 30-August 2023 (%)



Source: HEI Research

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