



Daily Fixed Income Report (01 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar is trading 1.17% higher against the Namibia dollar at N\$18.32 while the euro was trading 0.26% marginally lower at N\$20.14 Furthermore, the British pound slightly increased by 1.04% against the Namibia to trade at N\$23.41 (Figure 3)
- The yield of the GC2026 bond increased from 9.16% to 9.20% Additionally, the GC2048 bond's yield soared from 13.07% to 13.05% (Table 2)
- Figure 2 displayed significant declined 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 12 month basis.

Table 1: Fixed Term Deposits

<i>Term</i>	31-Jul-23	1-Aug-23
<i>1 Month</i>	7.66	7.66
<i>2 Months</i>	7.74	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>	8.68	8.70
<i>12 Months</i>	8.77	8.74

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

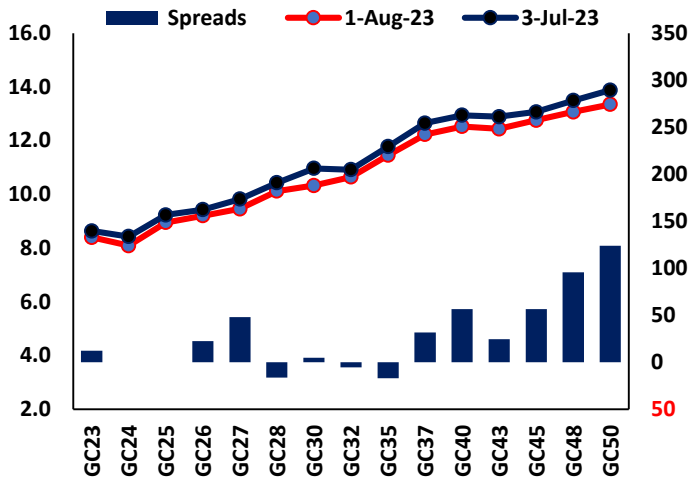
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			3-Jul-23	31-Jul-23	1-Aug-23	(bps)	1-Aug-23
GC23	8.85	15-Oct-23	8.63	8.38	8.40	1.69	100.05
GC24	10.5	15-Oct-24	8.43	8.05	8.09	3.90	102.69
GC25	8.5	15-Apr-25	9.23	8.91	8.95	3.90	99.28
GC26	8.5	15-Apr-26	9.43	9.16	9.20	3.90	98.33
GC27	8	15-Jan-27	9.82	9.42	9.46	3.90	95.78
GC28	8.5	15-Oct-28	10.43	10.08	10.12	4.00	93.55
GC30	8	15-Jan-30	10.97	10.29	10.33	4.00	89.22
GC32	9	15-Apr-32	10.92	10.61	10.64	3.55	90.79
GC35	9.5	15-Jul-35	11.78	11.42	11.45	2.79	87.44
GC37	9.5	15-Jul-37	12.65	12.20	12.23	3.00	81.93
GC40	9.8	15-Oct-40	12.94	12.51	12.53	1.65	80.89
GC43	10	15-Jul-43	12.89	12.42	12.44	1.95	82.15
GC45	9.85	15-Jul-45	13.07	12.74	12.76	1.95	78.70
GC48	10	15-Oct-48	13.49	13.05	13.07	2.00	77.98
GC50	10.25	15-Jul-50	13.88	13.33	13.35	2.00	77.49

Source: BoN & HEI Research

Important disclosure:

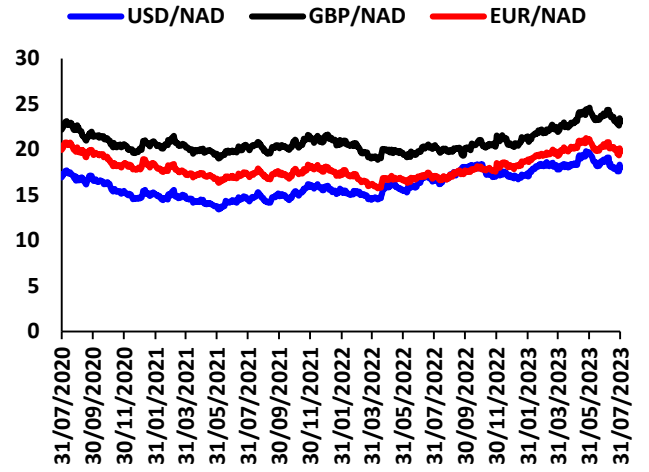
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 01-Aug-2023



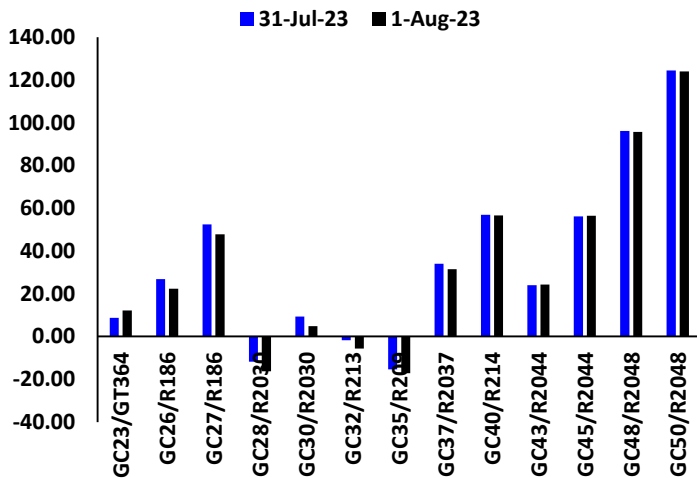
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 01 August 2023



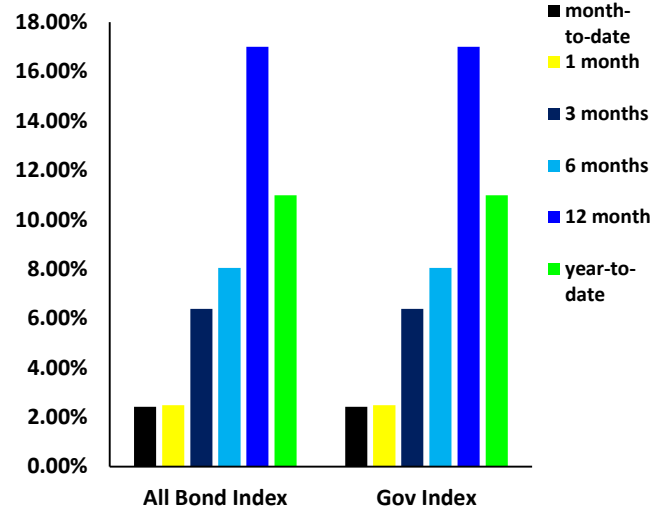
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 31-July 2023 vs. 01-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 01st August 2023 (%)



Source: Bloomberg & HEI Database

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