

## Daily Fixed Income Report (02 August 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar is trading 1.0% higher against the Namibia dollar at N\$18.50 while the euro was trading 0.93% marginally higher at N\$20.22 Furthermore, the British pound slightly increased by 1.03% against the Namibia to trade at N\$23.43(Figure 3)
- The yield of the GC2026 bond declined from 9.20% to 9.17% Additionally, the GC2048 bond's yield weakened from 13.07% to 13.04% (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 declined
- Table 1 indicated that fixed-term deposits declined on 8 to 11-month basis

**Table 1: Fixed Term Deposits**

<i>Term</i>	<b>1-Aug-23</b>	<b>2-Aug-23</b>
<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	8.46
<i>9 Months</i>	8.53	8.53
<i>10 Months</i>	8.64	8.64
<i>11 Months</i>	8.70	8.69
<i>12 Months</i>	8.74	8.74

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

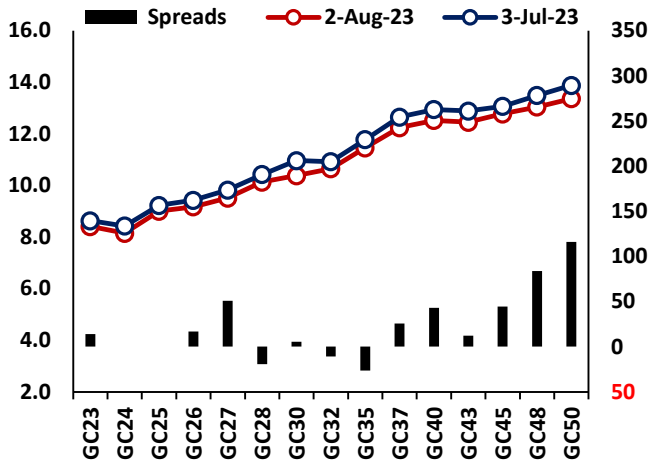
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			3-Jul-23	1-Aug-23	2-Aug-23	(bps)	2-Aug-23
GC23	8.85	15-Oct-23	8.63	8.40	8.41	1.41	100.04
GC24	10.5	15-Oct-24	8.43	8.09	8.15	5.70	102.62
GC25	8.5	15-Apr-25	9.23	8.95	9.01	5.70	99.19
GC26	8.5	15-Apr-26	9.43	9.20	9.17	-2.79	98.39
GC27	8	15-Jan-27	9.82	9.46	9.51	5.70	95.62
GC28	8.5	15-Oct-28	10.43	10.12	10.14	1.87	93.49
GC30	8	15-Jan-30	10.97	10.33	10.38	5.60	88.98
GC32	9	15-Apr-32	10.92	10.64	10.65	0.42	90.77
GC35	9.5	15-Jul-35	11.78	11.45	11.46	0.74	87.40
GC37	9.5	15-Jul-37	12.65	12.23	12.24	1.20	81.86
GC40	9.8	15-Oct-40	12.94	12.53	12.52	-0.23	80.91
GC43	10	15-Jul-43	12.89	12.44	12.45	1.52	82.06
GC45	9.85	15-Jul-45	13.07	12.76	12.78	1.88	78.58
GC48	10	15-Oct-48	13.49	13.07	13.04	-2.28	78.11
GC50	10.25	15-Jul-50	13.88	13.35	13.37	1.65	77.39

**Source: BoN & HEI Research**

**Important disclosure:**

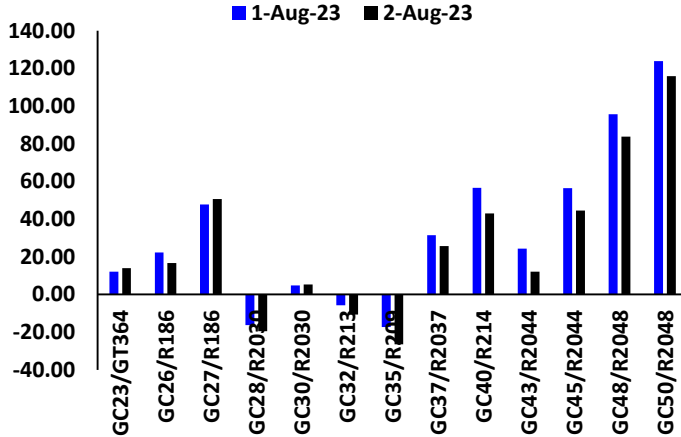
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 02-August-2023



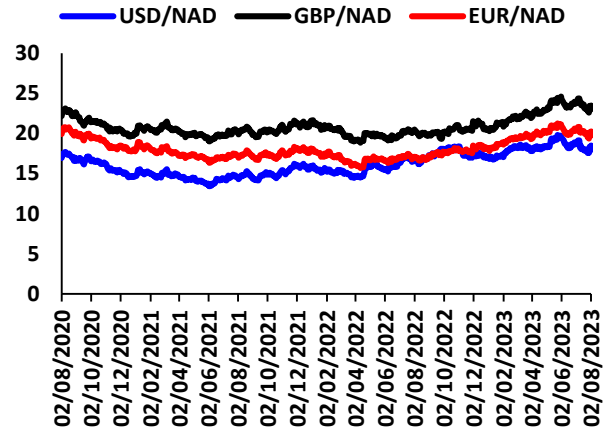
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 01-August-2023 vs. 02-August-2023



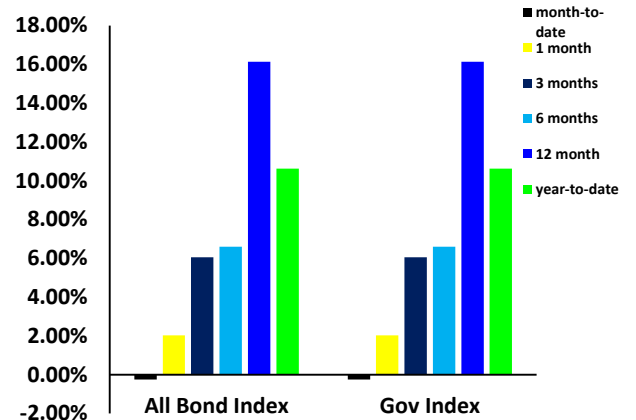
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 02nd August 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 2nd August 2023 (%)



Source: Bloomberg & HEI Database

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