



## Daily Fixed Income Report (03 August 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar is trading 1.0% higher against the Namibia dollar at N\$18.67, while the euro was trading 1.1% marginally higher at N\$20.45. Furthermore, the British pound slightly increased by 1.1% against the Namibia to trade at N\$23.75 (Figure 3)
- The yield of the GC2026 bond increased from 9.17% to 9.29%. Additionally, the GC2048 bond's yield strengthened from 13.04% to 13.19% (Table 2)
- Figure 2 displayed significant declines in the daily bond spreads across all maturities.
- Based on the analysis depicted in Figure 4, total bond returns significantly increased.
- Table 1 indicated no change in fixed-term deposits.

**Table 1: Fixed Term Deposits**

| <i>Term</i>      | <b>2-Aug-23</b> | <b>3-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>  | 8.46            | 8.46            |
| <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> | 8.74            | 8.74            |

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

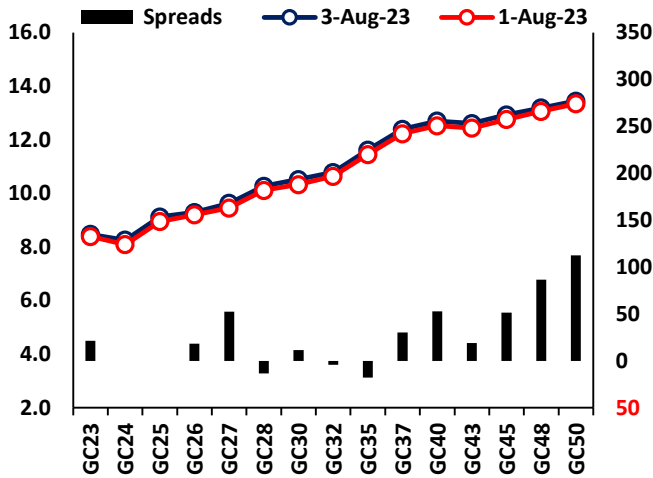
| Bonds | Coupon | Maturity  | YTM (%)  | YTM (%)  | YTM (%)  | DTDA  | Prices   |
|-------|--------|-----------|----------|----------|----------|-------|----------|
|       |        |           | 1-Aug-23 | 2-Aug-23 | 3-Aug-23 | (bps) | 3-Aug-23 |
| GC23  | 8.85   | 15-Oct-23 | 8.40     | 8.41     | 8.47     | 6.11  | 100.03   |
| GC24  | 10.5   | 15-Oct-24 | 8.09     | 8.15     | 8.26     | 11.35 | 102.48   |
| GC25  | 8.5    | 15-Apr-25 | 8.95     | 9.01     | 9.12     | 11.55 | 99.02    |
| GC26  | 8.5    | 15-Apr-26 | 9.20     | 9.17     | 9.29     | 11.45 | 98.13    |
| GC27  | 8      | 15-Jan-27 | 9.46     | 9.51     | 9.63     | 11.55 | 95.30    |
| GC28  | 8.5    | 15-Oct-28 | 10.12    | 10.14    | 10.27    | 13.65 | 92.97    |
| GC30  | 8      | 15-Jan-30 | 10.33    | 10.38    | 10.52    | 13.65 | 88.40    |
| GC32  | 9      | 15-Apr-32 | 10.64    | 10.65    | 10.78    | 13.46 | 90.07    |
| GC35  | 9.5    | 15-Jul-35 | 11.45    | 11.46    | 11.62    | 15.80 | 86.49    |
| GC37  | 9.5    | 15-Jul-37 | 12.23    | 12.24    | 12.40    | 15.60 | 80.98    |
| GC40  | 9.8    | 15-Oct-40 | 12.53    | 12.52    | 12.70    | 17.50 | 79.89    |
| GC43  | 10     | 15-Jul-43 | 12.44    | 12.45    | 12.61    | 15.62 | 81.10    |
| GC45  | 9.85   | 15-Jul-45 | 12.76    | 12.78    | 12.93    | 15.49 | 77.67    |
| GC48  | 10     | 15-Oct-48 | 13.07    | 13.04    | 13.19    | 14.62 | 77.27    |
| GC50  | 10.25  | 15-Jul-50 | 13.35    | 13.37    | 13.45    | 8.37  | 76.91    |

**Source: BoN & HEI Research**

**Important disclosure:**

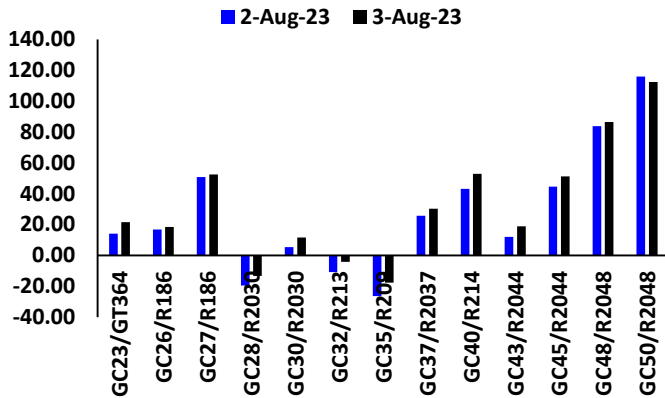
Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.

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



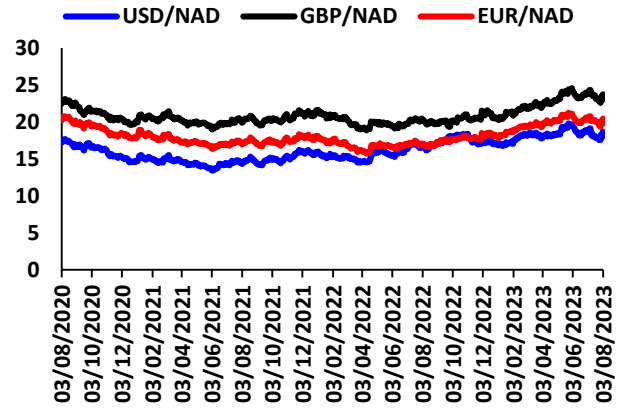
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 02-August-2023 vs. 03-August-2023



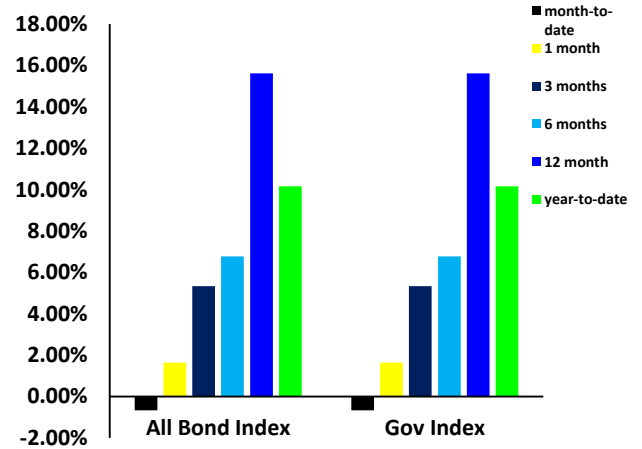
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 03-August 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 03- August 2023 (%)



Source: Bloomberg & HEI Research

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