



Daily Fixed Income Report (15 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.2% higher against the Namibian dollar at N\$19.18, while the euro was trading 0.2% marginally higher at N\$20.85. Furthermore, the British pound slightly increased against the Namibian dollar by 0.4% trading at N\$24.29(Figure 3)
- The yield of the GC2026 bond slightly increased from 9.11% to 9.13%. Additionally, the GC2048 bond's yield experienced an up soar from 13.14% to 13.22% (Table 2)
- The Nam vs SA Spreads for bond maturing in the next 12 years declined, while those bonds spread above the 12-year maturity increased (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns a declined as compared to the previous day
- Table 1 indicated a decline in fixed-term deposits

Table 1: Fixed Term Deposits

| Term | 14-Aug-23 | 15-Aug-23 |
|-----------|-----------|-----------|
| 1 Month | 7.75 | 7.72 |
| 2 Months | 7.82 | 7.78 |
| 3 Months | 7.85 | 7.84 |
| 4 Months | 7.93 | 7.91 |
| 5 Months | 7.98 | 7.98 |
| 6 Months | 8.30 | 8.28 |
| 7 Months | 8.38 | 8.35 |
| 8 Months | 8.41 | 8.39 |
| 9 Months | 8.46 | 8.45 |
| 10 Months | 8.57 | 8.56 |
| 11 Months | 8.61 | 8.61 |
| 12 Months | 8.69 | 8.68 |

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

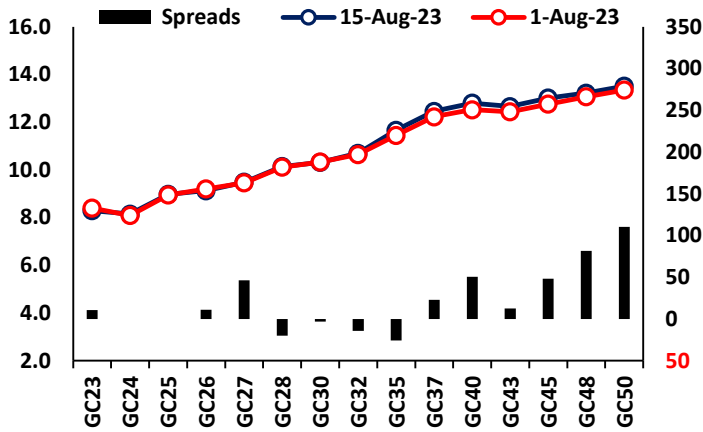
| Bonds | Coupon | Maturity | YTM (%) | YTM (%) | YTM (%) | DTDA | Prices |
|-------------|--------|-----------|----------|-----------|-----------|-------|-----------|
| | | | 1-Aug-23 | 14-Aug-23 | 15-Aug-23 | (bps) | 15-Aug-23 |
| GC23 | 8.85 | 15-Oct-23 | 8.40 | 8.28 | 8.29 | 0.75 | 100.05 |
| GC24 | 10.5 | 15-Oct-24 | 8.09 | 8.14 | 8.15 | 1.80 | 102.54 |
| GC25 | 8.5 | 15-Apr-25 | 8.95 | 8.96 | 8.98 | 1.80 | 99.26 |
| GC26 | 8.5 | 15-Apr-26 | 9.20 | 9.11 | 9.13 | 1.71 | 98.52 |
| GC27 | 8 | 15-Jan-27 | 9.46 | 9.47 | 9.48 | 1.70 | 95.74 |
| GC28 | 8.5 | 15-Oct-28 | 10.12 | 10.12 | 10.14 | 1.86 | 93.49 |
| GC30 | 8 | 15-Jan-30 | 10.33 | 10.30 | 10.31 | 1.86 | 89.32 |
| GC32 | 9 | 15-Apr-32 | 10.64 | 10.67 | 10.70 | 2.84 | 90.54 |
| GC35 | 9.5 | 15-Jul-35 | 11.45 | 11.63 | 11.66 | 3.74 | 86.24 |
| GC37 | 9.5 | 15-Jul-37 | 12.23 | 12.42 | 12.45 | 3.91 | 80.67 |
| GC40 | 9.8 | 15-Oct-40 | 12.53 | 12.72 | 12.80 | 7.90 | 79.30 |
| GC43 | 10 | 15-Jul-43 | 12.44 | 12.58 | 12.66 | 7.76 | 80.78 |
| GC45 | 9.85 | 15-Jul-45 | 12.76 | 12.94 | 13.02 | 7.88 | 77.19 |
| GC48 | 10 | 15-Oct-48 | 13.07 | 13.14 | 13.22 | 8.00 | 77.09 |
| GC50 | 10.25 | 15-Jul-50 | 13.35 | 13.44 | 13.51 | 6.50 | 76.58 |

Source: BoN & HEI Research

Important disclosure:

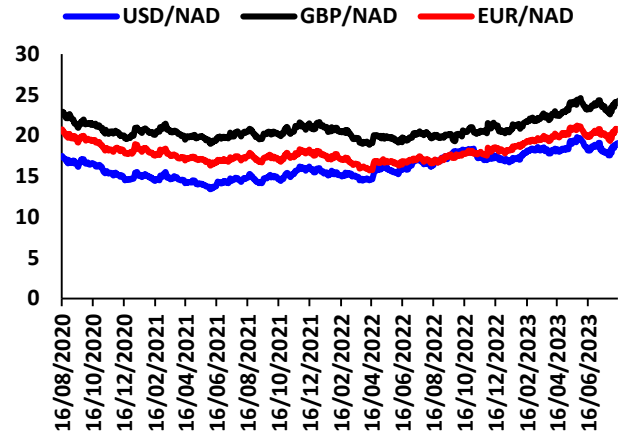
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 15-August-2023



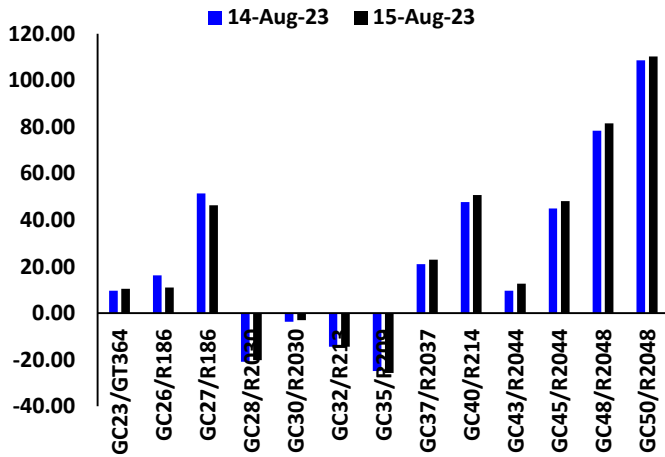
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 15-August 2023



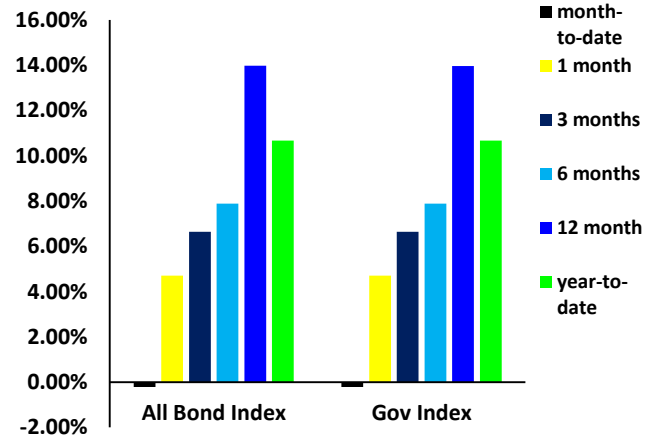
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 15-August-2023 vs. 14-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 15-August 2023 (%)



Source: Bloomberg & HEI Database

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