



Daily Fixed Income Report (16 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.3% higher against the Namibian dollar at N\$19.16, while the euro closed at N\$20.85. Furthermore, the British pound slightly increased against the Namibian dollar by 0.4% trading at N\$24.38(Figure 3)
- The yield of the GC2026 bond slightly increased from 9.13% to 9.14%. Subsequently, the GC2048 bond's yield experienced a decrease from 13.22% to 13.01% (Table 2)
- The Nam vs SA Spreads for bond maturing in the next 12 years increased, while those bonds spread above the 12-year maturity declined (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns a recovered as compared to the previous day
- Table 1 indicated a decline in short-dated fixed-term deposits

Table 1: Fixed Term Deposits

Term	15-Aug-23	16-Aug-23
1 Month	7.72	7.70
2 Months	7.78	7.77
3 Months	7.84	7.83
4 Months	7.91	7.89
5 Months	7.98	7.96
6 Months	8.28	8.26
7 Months	8.35	8.34
8 Months	8.39	8.38
9 Months	8.45	8.44
10 Months	8.56	8.56
11 Months	8.61	8.61
12 Months	8.68	8.68

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

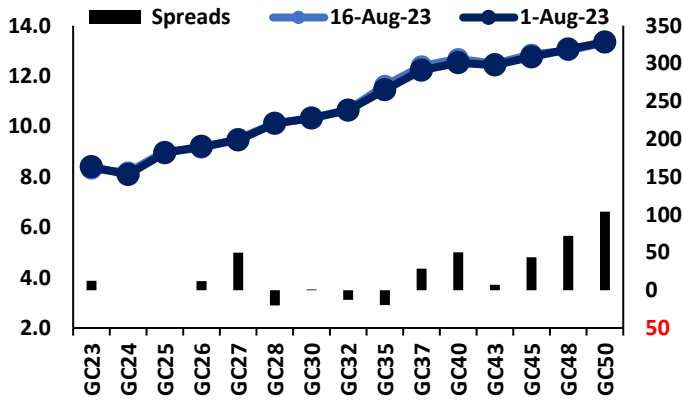
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Aug-23	15-Aug-23	16-Aug-23	(bps)	16-Aug-23
GC23	8.85	15-Oct-23	8.40	8.29	8.30	1.50	100.05
GC24	10.5	15-Oct-24	8.09	8.15	8.18	3.09	102.50
GC25	8.5	15-Apr-25	8.95	8.98	9.01	3.11	99.21
GC26	8.5	15-Apr-26	9.20	9.13	9.14	0.96	98.49
GC27	8	15-Jan-27	9.46	9.48	9.52	3.21	95.66
GC28	8.5	15-Oct-28	10.12	10.14	10.12	-1.95	93.57
GC30	8	15-Jan-30	10.33	10.31	10.33	2.04	89.23
GC32	9	15-Apr-32	10.64	10.70	10.67	-2.84	90.69
GC35	9.5	15-Jul-35	11.45	11.66	11.62	-4.19	86.48
GC37	9.5	15-Jul-37	12.23	12.45	12.40	-5.50	80.98
GC40	9.8	15-Oct-40	12.53	12.80	12.69	-11.61	79.97
GC43	10	15-Jul-43	12.44	12.66	12.50	-16.55	81.79
GC45	9.85	15-Jul-45	12.76	13.02	12.86	-15.52	78.09
GC48	10	15-Oct-48	13.07	13.22	13.01	-20.65	78.28
GC50	10.25	15-Jul-50	13.35	13.51	13.33	-17.45	77.57

Source: BoN & HEI Research

Important disclosure:

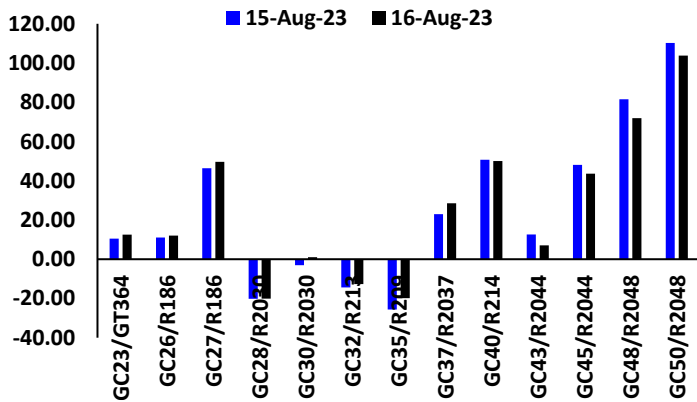
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 16-August-2023



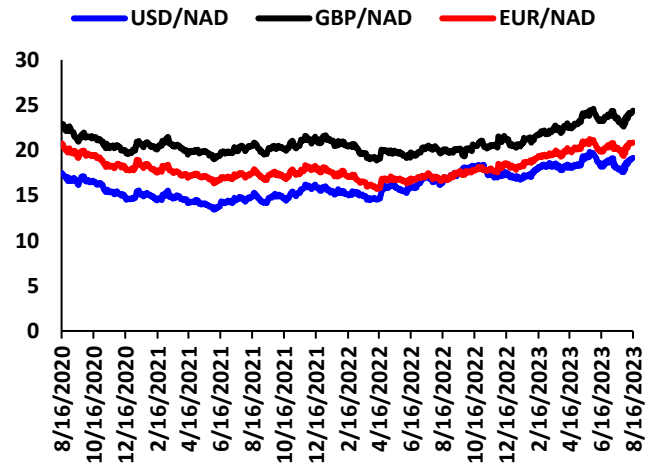
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 16-August-2023 vs. 15-August-2023



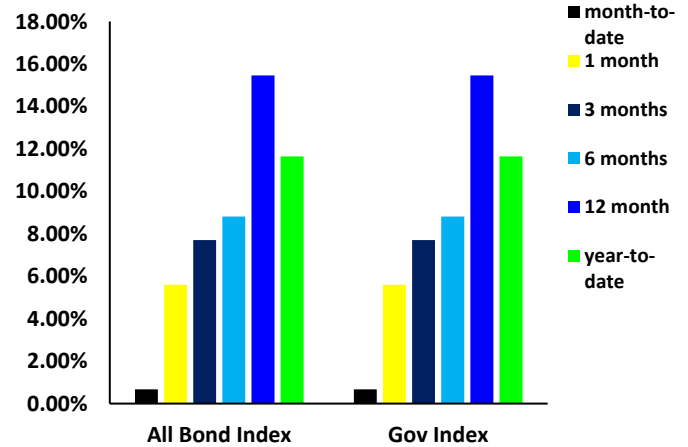
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 16-August 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 16-August 2023 (%)



Source: Bloomberg & HEI Database

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