

Daily Fixed Income Report (17 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.7% lower against the Namibian dollar at N\$19.04, while the euro was trading 0.2% marginally lesser at N\$20.72. Furthermore, the British pound slightly declined against the Namibian dollar by 0.2% trading at N\$24.25(Figure 3)

- The yield of the GC2026 bond slightly increased from 9.14% to 9.16%. Additionally, the GC2048 bond's yield experienced a slight deterioration from 13.01% to 13.00% (Table 2)
- The Nam vs SA Spreads declined significantly (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns a increased as compared to the previous day
- Table 1 indicated an increase in fixed-term deposits

Table 1: Fixed Term Deposits

Term	16-Aug-23	17-Aug-23
1 Month	7.70	7.75
2 Months	7.77	7.82
3 Months	7.83	7.87
4 Months	7.89	7.94
5 Months	7.96	8.01
6 Months	8.26	8.28
7 Months	8.34	8.35
8 Months	8.38	8.40
9 Months	8.44	8.46
10 Months	8.56	8.58
11 Months	8.61	8.62
12 Months	8.68	8.68

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

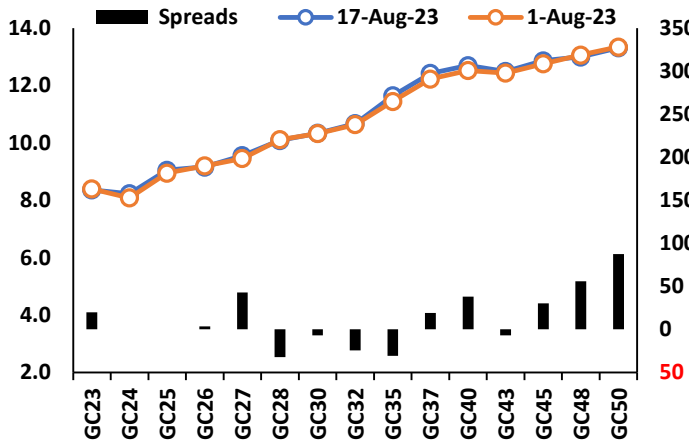
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Aug-23	16-Aug-23	17-Aug-23	(bps)	17-Aug-23
GC23	8.85	15-Oct-23	8.40	8.30	8.37	6.35	100.04
GC24	10.5	15-Oct-24	8.09	8.18	8.23	4.61	102.44
GC25	8.5	15-Apr-25	8.95	9.01	9.05	4.49	99.15
GC26	8.5	15-Apr-26	9.20	9.14	9.16	2.41	98.44
GC27	8	15-Jan-27	9.46	9.52	9.56	4.49	95.53
GC28	8.5	15-Oct-28	10.12	10.12	10.09	-3.48	93.71
GC30	8	15-Jan-30	10.33	10.33	10.34	0.80	89.20
GC32	9	15-Apr-32	10.64	10.67	10.68	0.90	90.65
GC35	9.5	15-Jul-35	11.45	11.62	11.64	2.30	86.35
GC37	9.5	15-Jul-37	12.23	12.40	12.43	2.60	80.83
GC40	9.8	15-Oct-40	12.53	12.69	12.70	1.50	79.89
GC43	10	15-Jul-43	12.44	12.50	12.50	0.00	81.79
GC45	9.85	15-Jul-45	12.76	12.86	12.87	0.75	78.05
GC48	10	15-Oct-48	13.07	13.01	13.00	-1.43	78.36
GC50	10.25	15-Jul-50	13.35	13.33	13.32	-1.55	77.66

Source: BoN & HEI Research

Important disclosure:

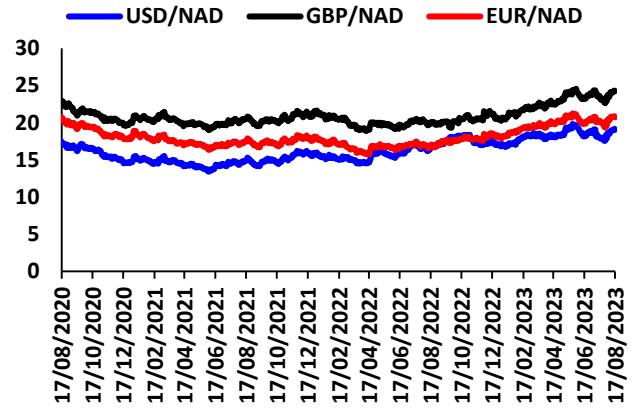
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 17-August-2023



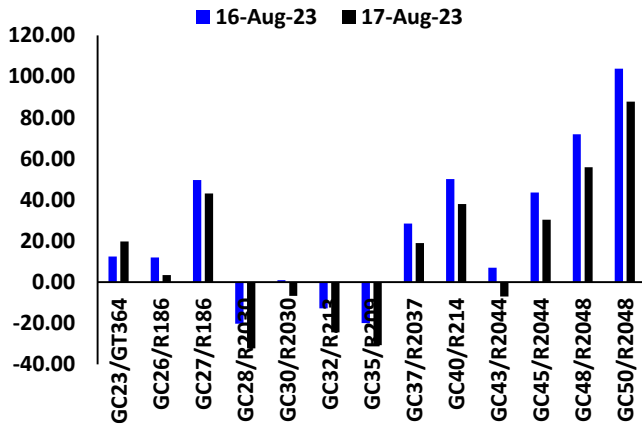
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 17-August 2023



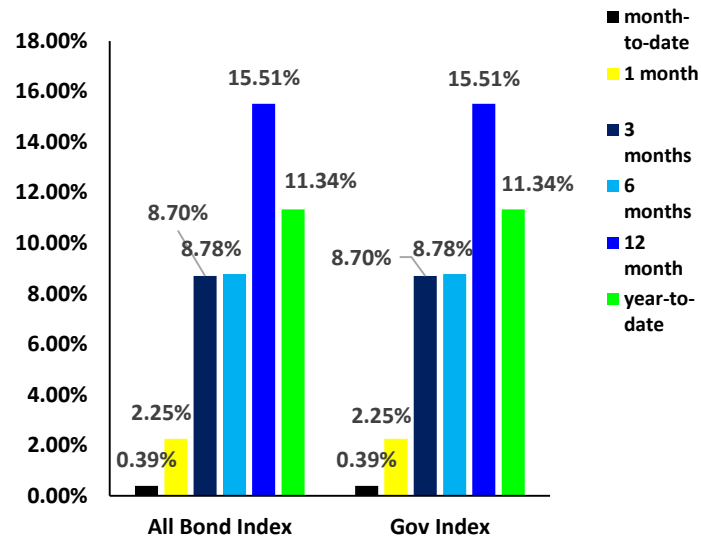
Source: Bloomberg & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 16-August-2023 vs. 17-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 17-August 2023 (%)



Source: Bloomberg & HEI Database

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