

Daily Fixed Income Report (31 July 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar is trading 1.18% lower against the Namibia dollar at N\$17.58, while the euro was trading 0.87% marginally lower at N\$19.36. Furthermore, the British pound slightly declined by 0.66% against the Namibia to trade at N\$22.61 (Figure 3)
- The yield of the GC2026 bond increased from 9.14% to 9.16%. Additionally, the GC2048 bond's yield experienced a decline from 13.09% to 13.05% (Table 2)
- Figure 2 displayed significant decline in the daily bond spreads with across all maturities.
- Based on the analysis depicted in Figure 4, total bond returns slightly increased
- Table 1 indicated that fixed-term deposits declined by 1bps on 12 month basis

Table 1: Fixed Term Deposits

<i>Term</i>	28-Jul-23	31-Jul-23
<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	8.47
<i>9 Months</i>	8.53	8.53
<i>10 Months</i>	8.64	8.64
<i>11 Months</i>	8.69	8.68
<i>12 Months</i>	8.78	8.77

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

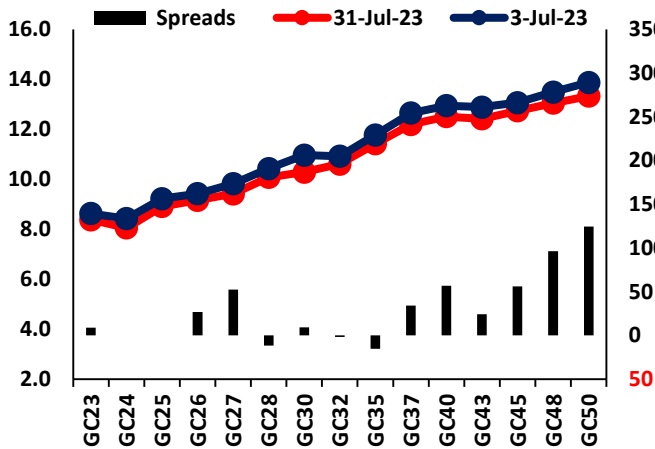
<i>Bonds</i>	<i>Coupon</i>	<i>Maturity</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>YTM (%)</i>	<i>DTDA</i>	<i>Prices</i>
			3-Jul-23	28-Jul-23	31-Jul-23	(bps)	31-Jul-23
GC23	8.85	15-Oct-23	8.63	8.39	8.38	-0.75	100.05
GC24	10.5	15-Oct-24	8.43	8.04	8.05	1.55	102.74
GC25	8.5	15-Apr-25	9.23	8.90	8.91	1.55	99.34
GC26	8.5	15-Apr-26	9.43	9.14	9.16	2.75	98.42
GC27	8	15-Jan-27	9.82	9.40	9.42	1.55	95.89
GC28	8.5	15-Oct-28	10.43	10.08	10.08	-0.55	93.70
GC30	8	15-Jan-30	10.97	10.28	10.29	0.65	89.39
GC32	9	15-Apr-32	10.92	10.60	10.61	1.15	90.98
GC35	9.5	15-Jul-35	11.78	11.43	11.42	-0.19	87.60
GC37	9.5	15-Jul-37	12.65	12.21	12.20	-1.39	82.10
GC40	9.8	15-Oct-40	12.94	12.52	12.51	-1.01	80.99
GC43	10	15-Jul-43	12.89	12.46	12.42	-3.88	82.27
GC45	9.85	15-Jul-45	13.07	12.78	12.74	-4.25	78.81
GC48	10	15-Oct-48	13.49	13.09	13.05	-4.31	78.09
GC50	10.25	15-Jul-50	13.88	13.39	13.33	-6.34	77.60

Source: BoN & HEI Research

Important disclosure:

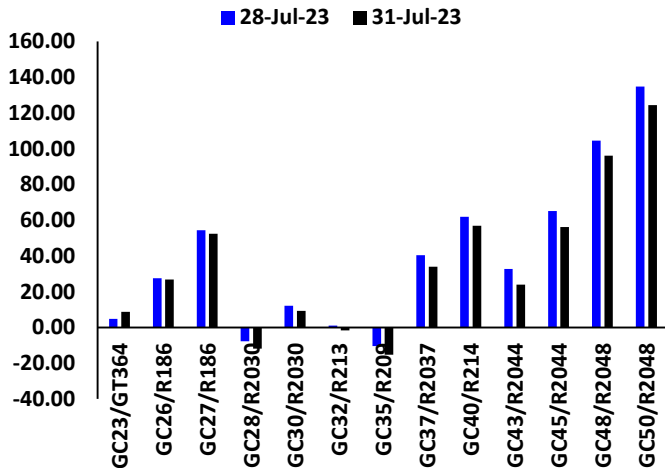
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Figure 1. Namibia Bond Yield: 03-July-2023 vs. 31-July-2023



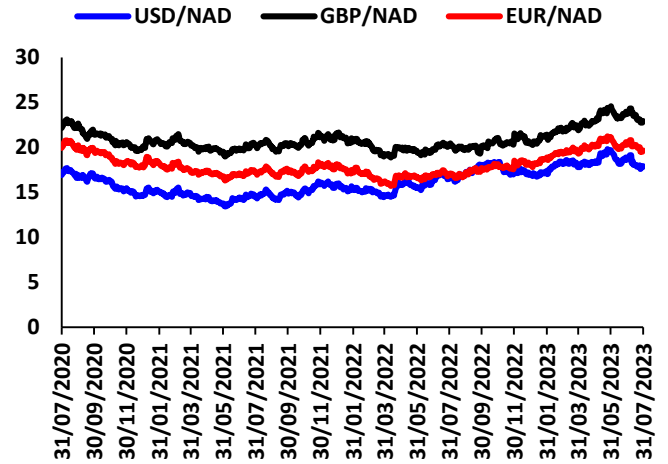
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 31-July 2023 vs. 28-July-2023



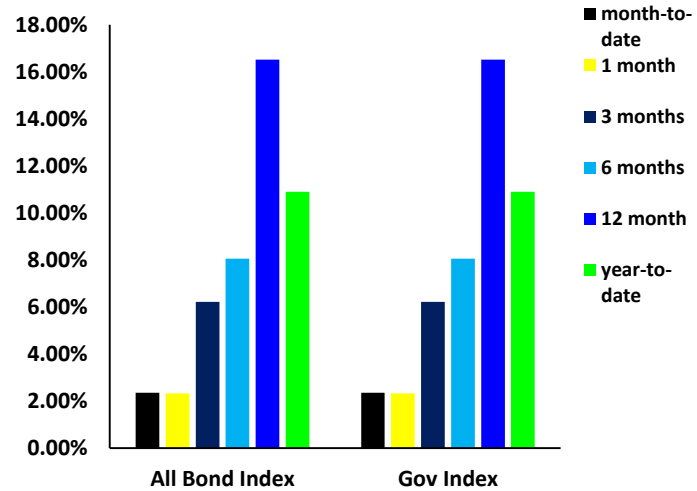
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 29th July 2023



Source: Bloomberg & HEI Research

Figure 4: Total Bond Returns as at 28th July 2023 (%)



Source: Bloomberg & HEI Database

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