

Daily Fixed Income Report (05 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 0.002% higher than the Namibian dollar at N\$19.20, while the Euro marginally declined by 0.005% at N\$20.58. Furthermore, the British pound slightly traded weaker against the Namibian dollar by 0.004% trading at N\$24.10 (Figure 3)

- The yield of the GC2026 bond soared by 6.20 bps from 9.07% to 9.13%. The GC2045 bond's yield ascended by 8.13 bps, from 13.00% to 13.08%. (Table 2)
- The Namibian bond spreads declined for the longer-dated bonds, while remained steady for shorter-dated bonds (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns declined
- Table 1 indicated no changes in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	4-Sep-23	5-Sep-23
1 Month	7.63	7.63
2 Months	7.69	7.69
3 Months	7.69	7.69
4 Months	7.73	7.73
5 Months	7.83	7.83
6 Months	8.15	8.15
7 Months	8.21	8.21
8 Months	8.26	8.26
9 Months	8.31	8.31
10 Months	8.40	8.40
11 Months	8.47	8.47
12 Months	8.53	8.53

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

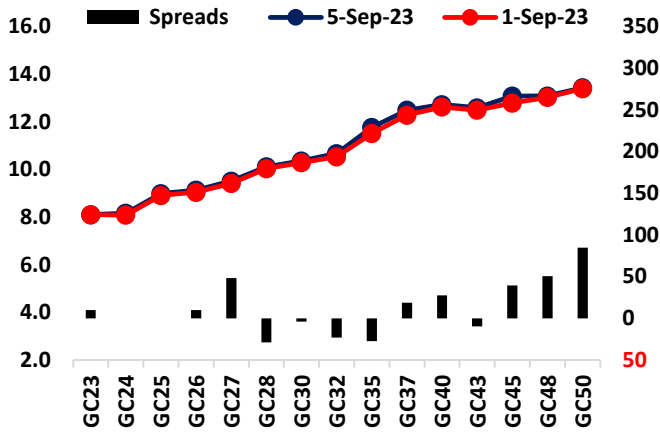
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 5-Sep-23
			1-Sep-23	4-Sep-23	5-Sep-23		
GC23	8.85	15-Oct-23	8.10	8.09	8.10	1.16	100.05
GC24	10.5	15-Oct-24	8.08	8.10	8.16	6.20	102.41
GC25	8.5	15-Apr-25	8.91	8.93	8.99	6.20	99.27
GC26	8.5	15-Apr-26	9.05	9.07	9.13	6.20	98.55
GC27	8	15-Jan-27	9.41	9.45	9.51	6.20	95.72
GC28	8.5	15-Oct-28	10.04	10.06	10.11	4.90	93.68
GC30	8	15-Jan-30	10.29	10.31	10.36	4.90	89.19
GC32	9	15-Apr-32	10.54	10.69	10.67	-2.60	90.73
GC35	9.5	15-Jul-35	11.51	11.69	11.77	7.40	85.66
GC37	9.5	15-Jul-37	12.28	12.42	12.49	7.40	80.49
GC40	9.8	15-Oct-40	12.63	12.67	12.73	5.80	79.76
GC43	10	15-Jul-43	12.49	12.51	12.59	8.25	81.22
GC45	9.85	15-Jul-45	12.80	13.00	13.08	8.25	76.82
GC48	10	15-Oct-48	13.03	13.06	13.09	3.00	77.84
GC50	10.25	15-Jul-50	13.40	13.45	13.43	-1.40	76.99

Source: BoN & HEI Research

Important disclosure:

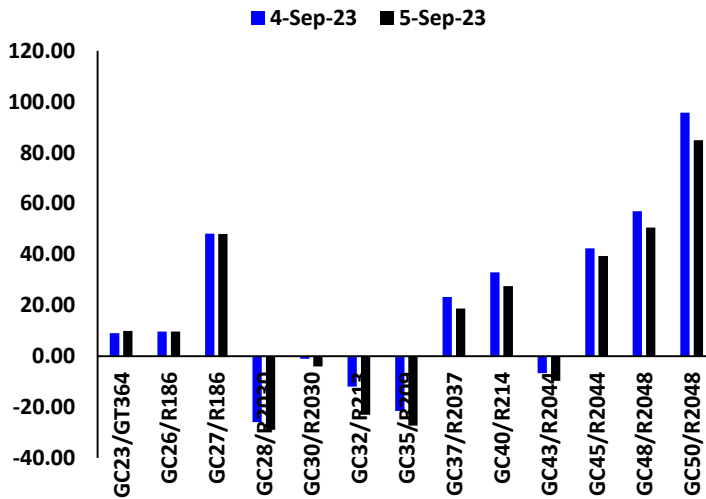
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 05-September-2023



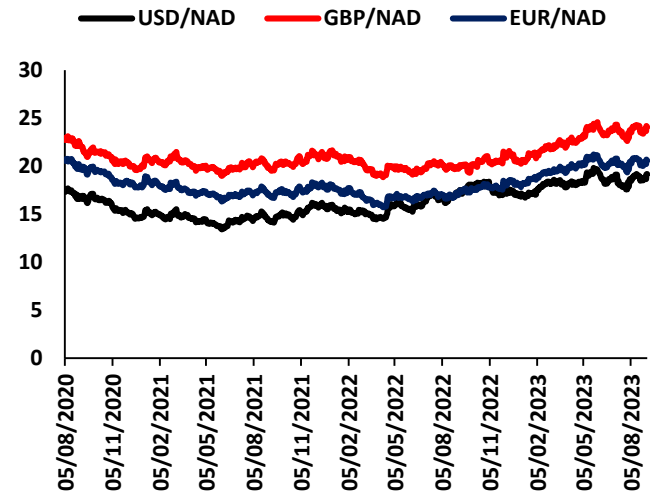
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 04-September-2023 vs. 05-September-2023



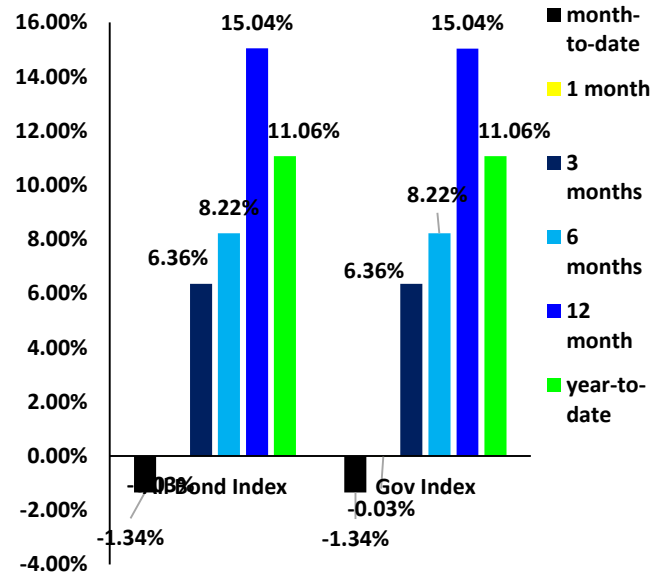
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 04-September-2023



Source: Investing.com & HEI Research

Figure 4: Total Bond Returns as of 05-September-2023 (%)



Source: HEI Research

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