

Daily Fixed Income Report (11 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 0.005% lower than the Namibian dollar at N\$18.91, while the Euro marginally declined by 0.006% at N\$20.28. Furthermore, the British pound slightly traded weaker against the Namibian dollar by 0.007% trading at N\$23.63(Figure 3)

- The yield of the GC2026 bond marginally declined by 2.10 bps from 9.05% to 9.03%. The GC2045 bond's yield strengthened by 4.12 bps, from 12.95% to 12.99%. (Table 2)
- The Namibian bond spreads declined drastically for all bonds as illustrated in Figure 2
- Based on the analysis depicted in Figure 4, total bond returns declined on average by 0.22% yesterday
- Table 1 indicated a decline in fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	08-Sep-23	11-Sep-23
1 Month	7.63	7.62
2 Months	7.69	7.67
3 Months	7.69	7.65
4 Months	7.73	7.70
5 Months	7.83	7.81
6 Months	8.15	8.13
7 Months	8.21	8.19
8 Months	8.26	8.24
9 Months	8.32	8.31
10 Months	8.41	8.39
11 Months	8.47	8.46
12 Months	8.54	8.53

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

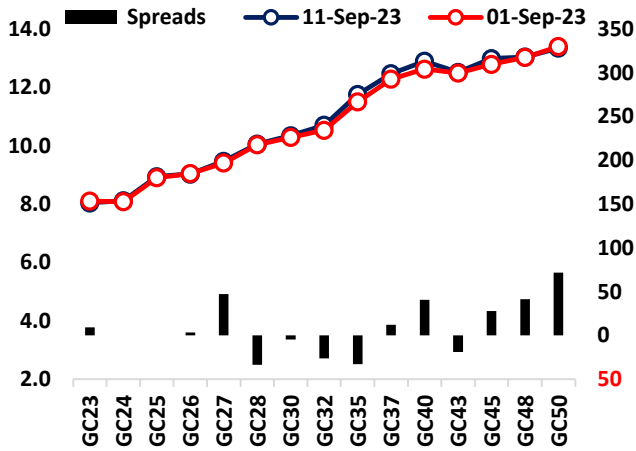
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 11-Sep-23
			01-Sep-23	08-Sep-23	11-Sep-23		
GC23	8.85	15-Oct-23	8.10	8.02	8.05	2.55	100.05
GC24	10.5	15-Oct-24	8.08	8.13	8.12	-1.90	102.43
GC25	8.5	15-Apr-25	8.91	8.97	8.95	-2.00	99.34
GC26	8.5	15-Apr-26	9.05	9.05	9.03	-2.10	98.78
GC27	8	15-Jan-27	9.41	9.49	9.47	-1.90	95.84
GC28	8.5	15-Oct-28	10.04	10.05	10.06	0.60	93.88
GC30	8	15-Jan-30	10.29	10.35	10.35	-0.60	89.25
GC32	9	15-Apr-32	10.54	10.68	10.70	2.10	90.57
GC35	9.5	15-Jul-35	11.51	11.73	11.76	2.60	85.74
GC37	9.5	15-Jul-37	12.28	12.45	12.47	2.20	80.62
GC40	9.8	15-Oct-40	12.63	12.86	12.90	3.50	78.80
GC43	10	15-Jul-43	12.49	12.48	12.52	4.13	81.64
GC45	9.85	15-Jul-45	12.80	12.95	12.99	4.12	77.34
GC48	10	15-Oct-48	13.03	13.00	13.04	4.13	78.11
GC50	10.25	15-Jul-50	13.40	13.32	13.35	3.16	77.48

Source: BoN & HEI Research

Important disclosure:

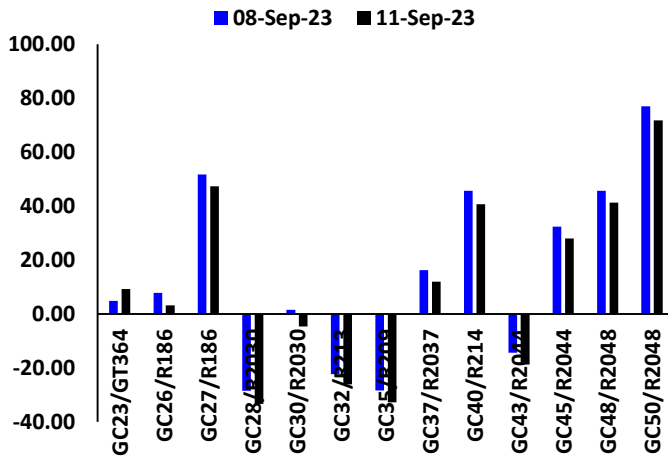
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 11-September-2023



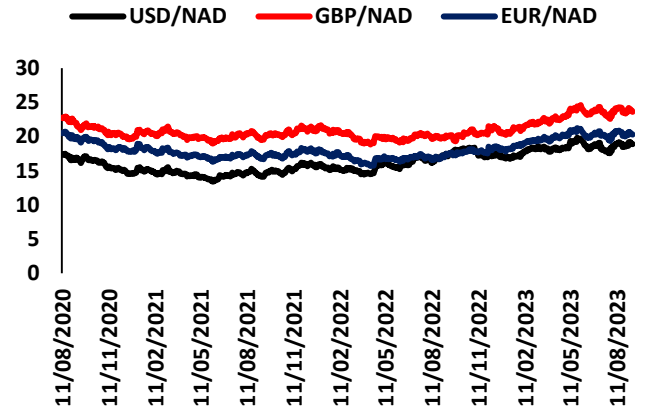
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 08-September-2023 vs. 11-September-2023



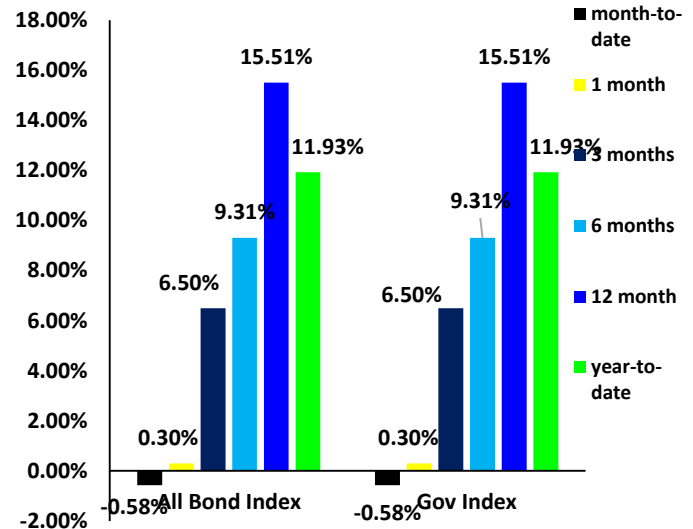
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 11-September-2023



Source: Investing.com & HEI Research

Figure 4: Total Bond Returns as of 11-September-2023 (%)



Source: HEI Research

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