

Daily Fixed Income Report (19 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 0.4% lower than the Namibian dollar at N\$18.92, while the Euro marginally declined by 0.5% at N\$20.22. Furthermore, the British pound slightly traded weaker against the Namibian dollar by 0.7% trading at N\$23.37(Figure 3)

- The yield of the GC2026 bond marginally declined by 0.60 bps from 9.10% to 9.09%. The GC2048 bond's yield significantly declined by 7.45 bps, from 12.90% to 12.83%. (Table 2)
- The Namibian bond spreads displayed mixed sentiments as illustrated in Figure 2
- Based on the analysis depicted in Figure 4, total bond returns increased on average by 0.27% yesterday
- Table 1 indicated a decline in fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	18-Sep-23	19-Sep-23
1 Month	7.58	7.58
2 Months	7.64	7.64
3 Months	7.63	7.58
4 Months	7.68	7.68
5 Months	7.79	7.75
6 Months	8.10	8.09
7 Months	8.16	8.14
8 Months	8.21	8.19
9 Months	8.28	8.23
10 Months	8.37	8.37
11 Months	8.44	8.42
12 Months	8.51	8.49

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

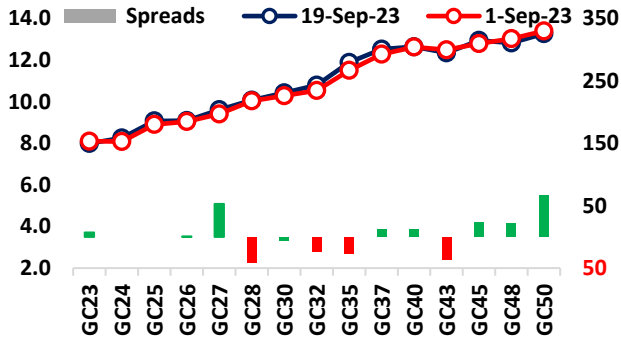
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			1-Sep-23	18-Sep-23	19-Sep-23		19-Sep-23
GC23	8.85	15-Oct-23	8.10	7.98	8.00	1.76	100.04
GC24	10.5	15-Oct-24	8.08	8.24	8.26	2.10	102.24
GC25	8.5	15-Apr-25	8.91	9.05	9.08	2.10	99.16
GC26	8.5	15-Apr-26	9.05	9.10	9.09	-0.60	98.66
GC27	8	15-Jan-27	9.41	9.59	9.61	2.00	95.48
GC28	8.5	15-Oct-28	10.04	10.10	10.07	-2.50	93.86
GC30	8	15-Jan-30	10.29	10.42	10.42	0.60	88.95
GC32	9	15-Apr-32	10.54	10.77	10.79	2.80	90.11
GC35	9.5	15-Jul-35	11.51	11.88	11.89	1.10	85.01
GC37	9.5	15-Jul-37	12.28	12.51	12.53	1.40	80.31
GC40	9.8	15-Oct-40	12.63	12.68	12.64	-3.60	80.27
GC43	10	15-Jul-43	12.49	12.41	12.35	-5.75	82.71
GC45	9.85	15-Jul-45	12.80	12.97	12.94	-2.25	77.60
GC48	10	15-Oct-48	13.03	12.90	12.83	-7.45	79.39
GC50	10.25	15-Jul-50	13.40	13.34	13.27	-7.00	77.92

Source: BoN & HEI Research

Important disclosure:

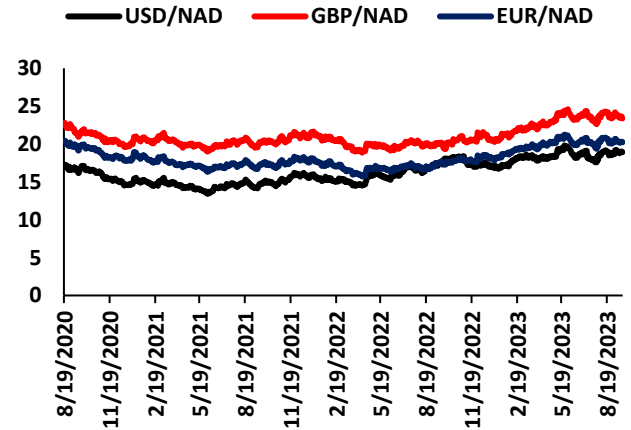
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 18-September-2023



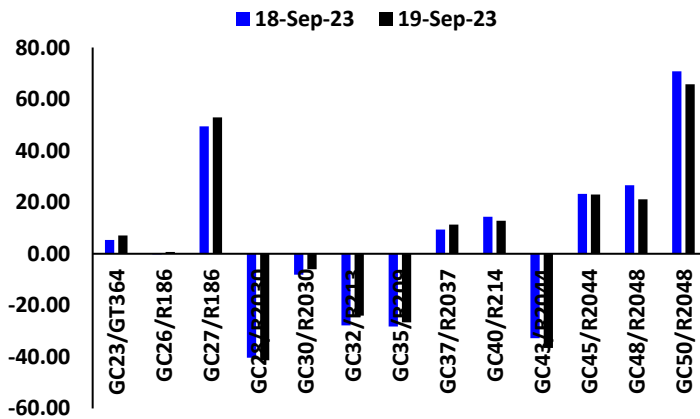
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 19-September-2023



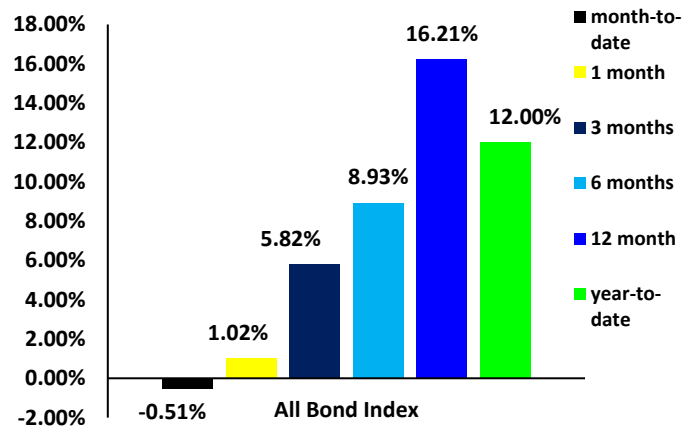
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 18-September-2023 vs. 19-September-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as of 19-September-2023 (%)



Source: HEI Research

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