

Daily Fixed Income Report (25 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 0.6% higher against the Namibian dollar at N\$18.87 while the Euro marginally declined by 0.03% at N\$19.98. Furthermore, the British pound traded slightly higher against the Namibian dollar by 0.04% trading at N\$22.97 (Figure 3)

- The yield of the GC2026 bond increased by 7.60 bps from 9.11% to 9.19%. The GC2048 bond also experienced an up soar in yields by 4.63bps from 12.85% to 12.90%. (Table 2)
- The Namibian bond spreads continue to widen as illustrated in Figure 2
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 0.04%
- Table 1 indicated no changes in fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	22-Sep-23	25-Sep-23
1 Month	7.58	7.58
2 Months	7.64	7.64
3 Months	7.58	7.58
4 Months	7.69	7.69
5 Months	7.75	7.75
6 Months	8.09	8.09
7 Months	8.14	8.14
8 Months	8.19	8.19
9 Months	8.23	8.23
10 Months	8.38	8.38
11 Months	8.43	8.43
12 Months	8.50	8.50

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

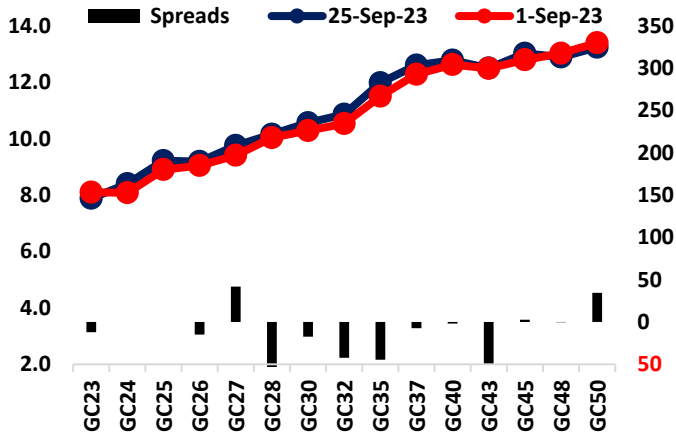
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 25-Sep-23
			1-Sep-23	22-Sep-23	25-Sep-23		
GC23	8.85	15-Oct-23	8.10	8.06	7.89	-17.13	100.0347
GC24	10.5	15-Oct-24	8.08	8.32	8.40	7.60	102.0651
GC25	8.5	15-Apr-25	8.91	9.14	9.22	7.60	98.9705
GC26	8.5	15-Apr-26	9.05	9.11	9.19	7.60	98.4500
GC27	8	15-Jan-27	9.41	9.68	9.76	7.60	95.1137
GC28	8.5	15-Oct-28	10.04	10.08	10.16	7.30	93.5616
GC30	8	15-Jan-30	10.29	10.49	10.57	7.30	88.3817
GC32	9	15-Apr-32	10.54	10.81	10.86	5.40	89.7784
GC35	9.5	15-Jul-35	11.51	11.93	11.98	5.77	84.4880
GC37	9.5	15-Jul-37	12.28	12.55	12.61	6.26	79.8749
GC40	9.8	15-Oct-40	12.63	12.72	12.78	6.40	79.4815
GC43	10	15-Jul-43	12.49	12.47	12.50	2.93	81.7616
GC45	9.85	15-Jul-45	12.80	12.98	13.03	4.75	77.1313
GC48	10	15-Oct-48	13.03	12.85	12.90	4.63	78.9771
GC50	10.25	15-Jul-50	13.40	13.20	13.24	4.62	78.0789

Source: BoN & HEI Research

Important disclosure:

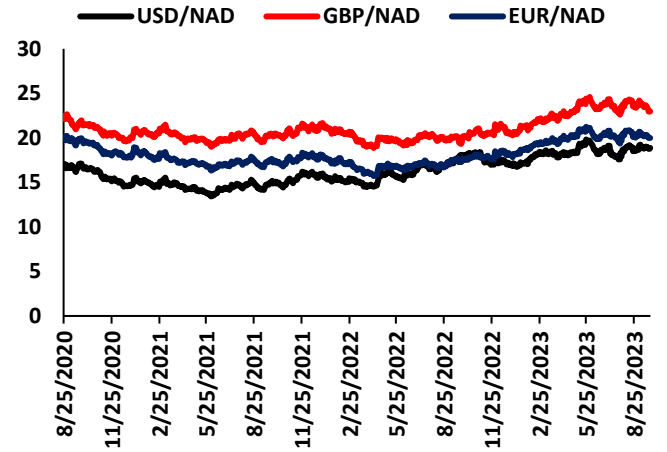
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 25-September-2023



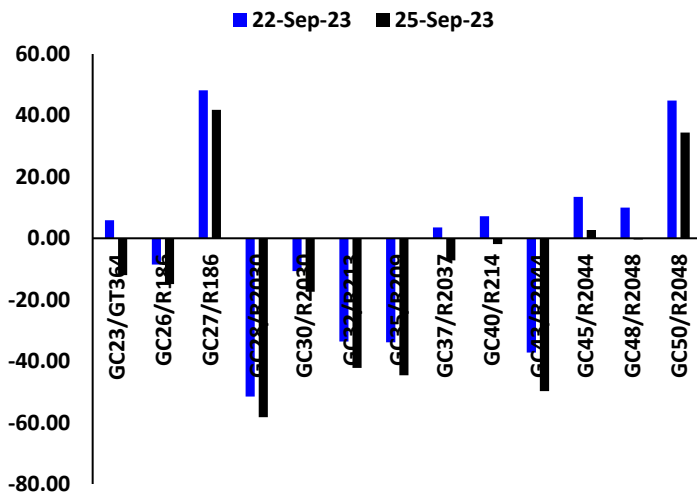
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 25-September-2023



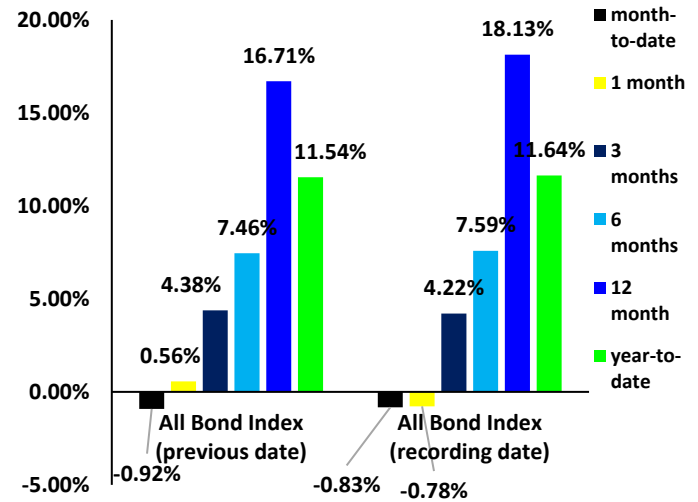
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 22-September-2023 vs. 25-September-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as of 25-September-2023 (%)



Source: HEI Research

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