

Daily Fixed Income Report (26 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 1.1% higher against the Namibian dollar at N\$19.08 while the Euro marginally increased by 0.80% at N\$20.14. Furthermore, the British pound traded slightly higher against the Namibian dollar by 0.87% trading at N\$23.17 (Figure 3)

- The yield of the GC2026 bond increased by 9.30 bps from 9.19% to 9.23%. The GC2048 bond also experienced an up soar in yields by 5.13 bps from 12.90% to 12.95%. (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 0.69%
- Table 1 indicated a slight increase in 11-month rates, while the rest of the fixed-term deposit rates remain unchanged

Table 1: Fixed Term Deposits

Term	25-Sep-23	26-Sep-23
1 Month	7.49	7.49
2 Months	7.56	7.56
3 Months	7.58	7.58
4 Months	7.68	7.68
5 Months	7.75	7.75
6 Months	8.08	8.08
7 Months	8.14	8.14
8 Months	8.19	8.19
9 Months	8.21	8.21
10 Months	8.36	8.36
11 Months	8.42	8.43
12 Months	8.48	8.48

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

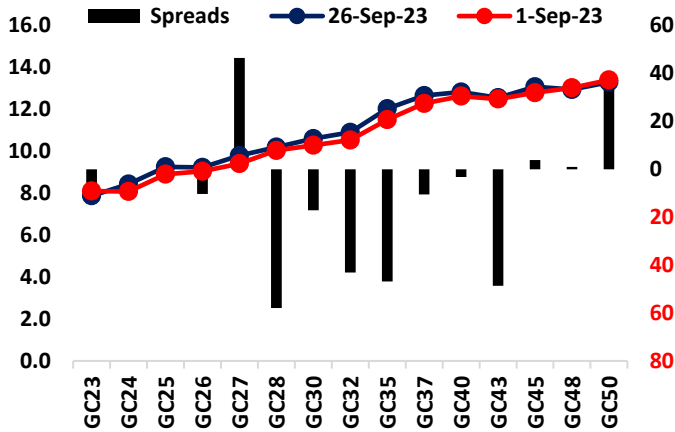
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 26-Sep-23
			1-Sep-23	25-Sep-23	26-Sep-23		
GC23	8.85	15-Oct-23	8.10	7.89	7.88	-1.13	100.0334
GC24	10.5	15-Oct-24	8.08	8.40	8.44	3.90	102.0213
GC25	8.5	15-Apr-25	8.91	9.22	9.26	3.90	98.9178
GC26	8.5	15-Apr-26	9.05	9.19	9.23	3.90	98.3658
GC27	8	15-Jan-27	9.41	9.76	9.80	3.90	95.0125
GC28	8.5	15-Oct-28	10.04	10.16	10.20	3.80	93.4236
GC30	8	15-Jan-30	10.29	10.57	10.60	3.80	88.2264
GC32	9	15-Apr-32	10.54	10.86	10.90	3.90	89.5821
GC35	9.5	15-Jul-35	11.51	11.98	12.03	4.80	84.2248
GC37	9.5	15-Jul-37	12.28	12.61	12.66	5.20	79.5928
GC40	9.8	15-Oct-40	12.63	12.78	12.83	4.40	79.2318
GC43	10	15-Jul-43	12.49	12.50	12.55	5.13	81.4474
GC45	9.85	15-Jul-45	12.80	13.03	13.08	5.13	76.8377
GC48	10	15-Oct-48	13.03	12.90	12.95	5.13	78.6748
GC50	10.25	15-Jul-50	13.40	13.24	13.30	5.13	77.7806

Source: BoN & HEI Research

Important disclosure:

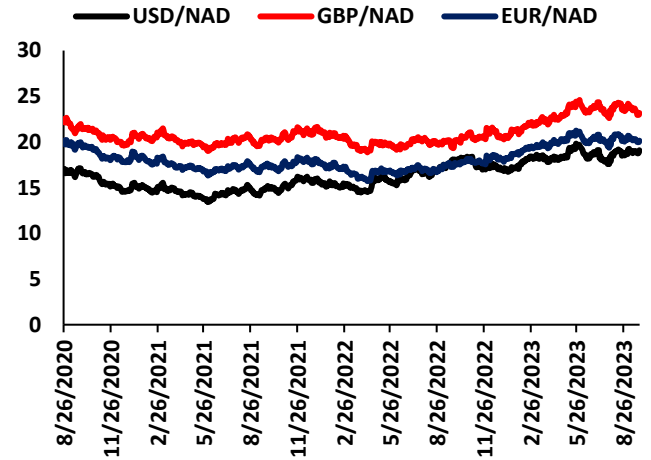
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 26-September-2023



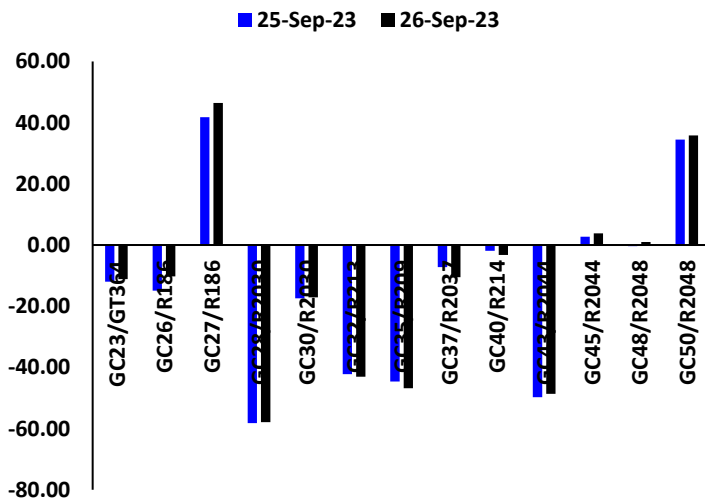
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 26-September-2023



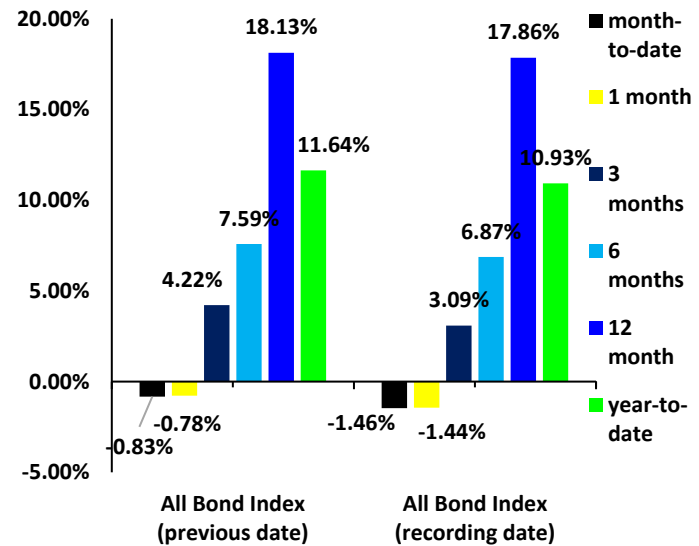
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 25-September-2023 vs. 26-September-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as of 26-September-2023 (%)



Source: HEI Research

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