

Daily Fixed Income Report (31 August 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading 0.01% slightly higher against the Namibian dollar at N\$18.84, while the Euro leveled at N\$20.44. Furthermore, the British pound slightly traded higher against the Namibian dollar by 0.01% trading at N\$23.87 (Figure 3)

- The yield of the GC2026 bond soared by 2.10bps from 8.97% to 8.99%. Additionally, the GC2048 bond's yield soared by 6.37bps, declining from 12.94% to 13.00%. (Table 2)
- The Namibian bond spreads soared when compared to South African bonds (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns declined when compared to the previous day
- Table 1 indicated no changes in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	30-Aug-23	31-Aug-23
1 Month	7.65	7.65
2 Months	7.72	7.72
3 Months	7.71	7.71
4 Months	7.75	7.75
5 Months	7.84	7.84
6 Months	8.15	8.15
7 Months	8.21	8.21
8 Months	8.28	8.28
9 Months	8.33	8.33
10 Months	8.38	8.38
11 Months	8.47	8.47
12 Months	8.55	8.55

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

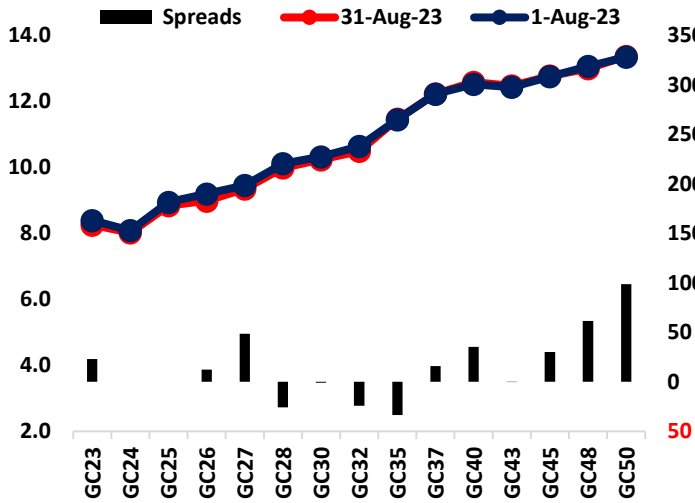
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Aug-23	30-Aug-23	31-Aug-23	(bps)	31-Aug-23
GC23	8.85	15-Oct-23	8.40	8.21	8.26	5.44	100.04
GC24	10.5	15-Oct-24	8.09	8.00	8.02	2.10	102.59
GC25	8.5	15-Apr-25	8.95	8.83	8.85	2.10	99.47
GC26	8.5	15-Apr-26	9.20	8.97	8.99	2.10	98.86
GC27	8	15-Jan-27	9.46	9.33	9.35	2.10	96.15
GC28	8.5	15-Oct-28	10.12	9.94	9.99	4.80	94.11
GC30	8	15-Jan-30	10.33	10.19	10.24	4.70	89.68
GC32	9	15-Apr-32	10.64	10.45	10.50	4.40	91.62
GC35	9.5	15-Jul-35	11.45	11.42	11.47	4.40	87.39
GC37	9.5	15-Jul-37	12.23	12.19	12.24	4.30	81.92
GC40	9.8	15-Oct-40	12.53	12.54	12.59	5.00	80.56
GC43	10	15-Jul-43	12.44	12.41	12.47	6.50	81.92
GC45	9.85	15-Jul-45	12.76	12.71	12.78	6.50	78.59
GC48	10	15-Oct-48	13.07	12.94	13.00	6.37	78.35
GC50	10.25	15-Jul-50	13.35	13.33	13.37	4.75	77.33

Source: BoN & HEI Research

Important disclosure:

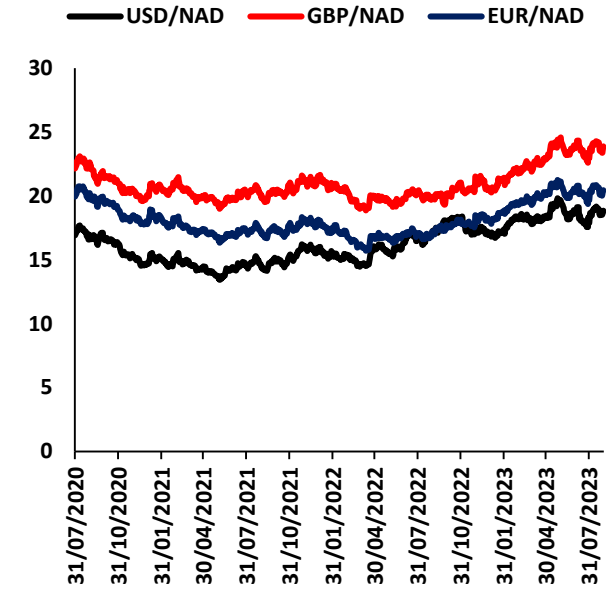
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Figure 1. Namibia Bond Yield: 01-August-2023 vs. 31-August-2023



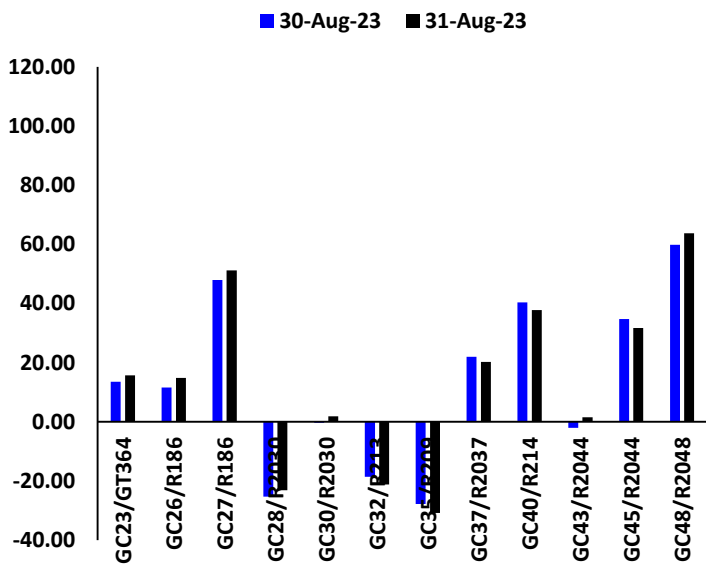
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 31-August 2023



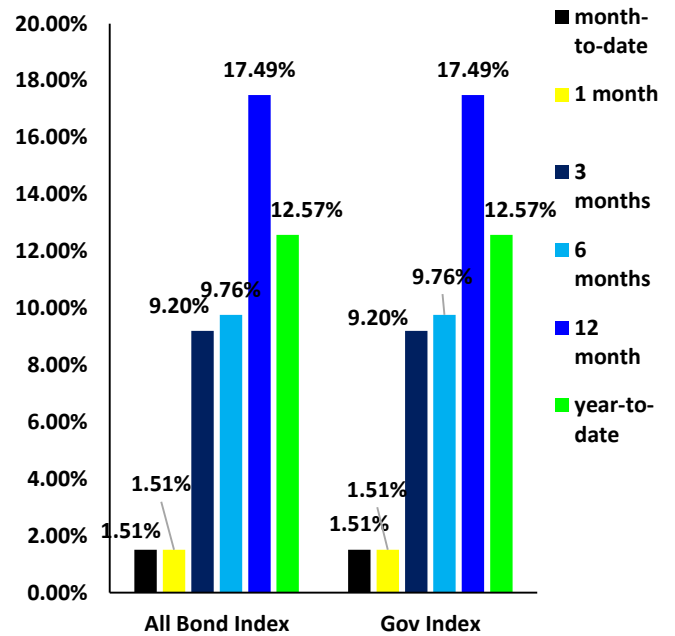
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 30-August-2023 vs. 31-August-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as at 31-August 2023 (%)



Source: HEI Research

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