

Daily Fixed Income Report (06 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar was trading at 0.002% higher than the Namibian dollar at N\$19.24, while the Euro marginally increased by 0.002% at N\$20.63. Furthermore, the British pound slightly traded weaker against the Namibian dollar by 0.002% trading at N\$24.05 (Figure 3)

- The yield of the GC2026 bond declined by 2.75 bps from 9.13% to 9.10%. The GC2045 bond's yield weakened by 10.26 bps, from 13.08% to 12.98%. (Table 2)
- The Namibian bond spreads declined drastically for the longer-dated bonds, while remained steady for shorter-dated bonds (Figure 2).
- Based on the analysis depicted in Figure 4, total bond returns increased radically
- Table 1 indicated no changes in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	5-Sep-23	6-Sep-23
1 Month	7.63	7.63
2 Months	7.69	7.69
3 Months	7.69	7.69
4 Months	7.73	7.73
5 Months	7.83	7.83
6 Months	8.15	8.15
7 Months	8.21	8.21
8 Months	8.26	8.26
9 Months	8.31	8.31
10 Months	8.40	8.40
11 Months	8.47	8.47
12 Months	8.53	8.53

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

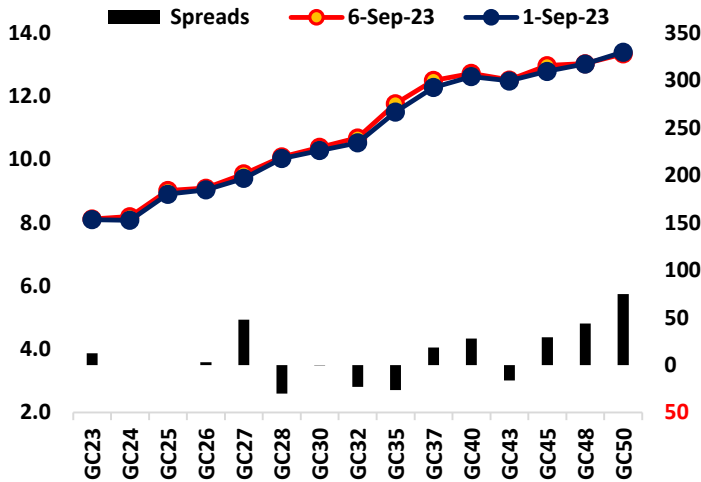
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Sep-23	5-Sep-23	6-Sep-23	(bps)	6-Sep-23
GC23	8.85	15-Oct-23	8.10	8.10	8.12	2.40	100.05
GC24	10.5	15-Oct-24	8.08	8.16	8.20	3.65	102.37
GC25	8.5	15-Apr-25	8.91	8.99	9.03	3.65	99.21
GC26	8.5	15-Apr-26	9.05	9.13	9.10	-2.75	98.62
GC27	8	15-Jan-27	9.41	9.51	9.55	3.65	95.62
GC28	8.5	15-Oct-28	10.04	10.11	10.09	-2.10	93.76
GC30	8	15-Jan-30	10.29	10.36	10.39	3.10	89.06
GC32	9	15-Apr-32	10.54	10.67	10.69	2.19	90.62
GC35	9.5	15-Jul-35	11.51	11.77	11.78	0.70	85.62
GC37	9.5	15-Jul-37	12.28	12.49	12.51	1.40	80.41
GC40	9.8	15-Oct-40	12.63	12.73	12.73	0.23	79.75
GC43	10	15-Jul-43	12.49	12.59	12.52	-6.85	81.64
GC45	9.85	15-Jul-45	12.80	13.08	12.98	-10.26	77.41
GC48	10	15-Oct-48	13.03	13.09	13.04	-5.04	78.13
GC50	10.25	15-Jul-50	13.40	13.43	13.35	-8.50	77.47

Source: BoN & HEI Research

Important disclosure:

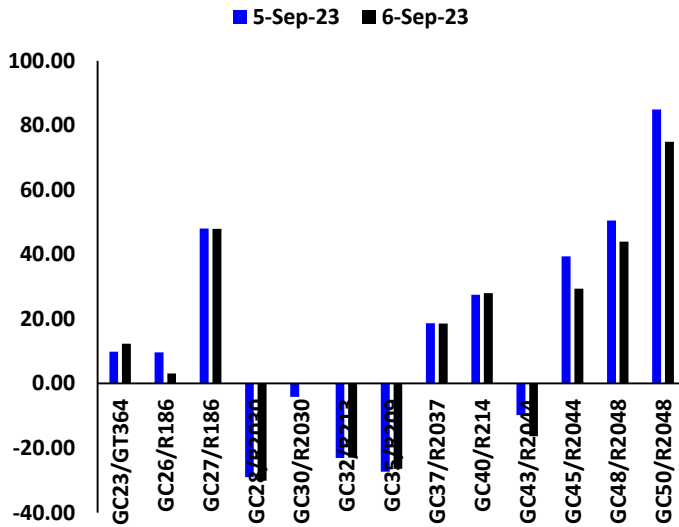
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 06-September-2023



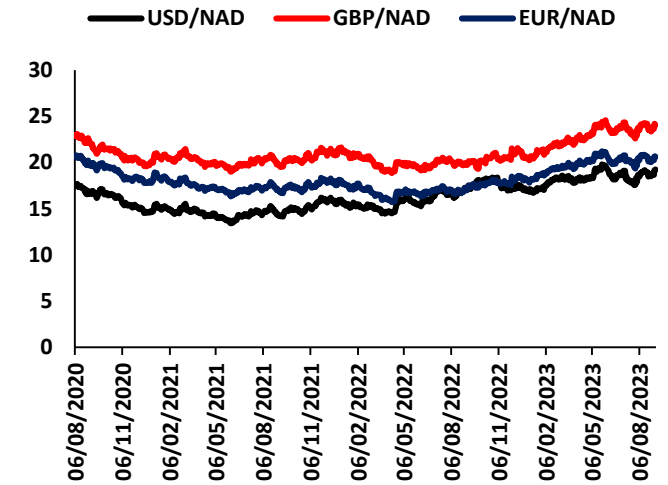
Source: BoN & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 05-September-2023 vs. 06-September-2023



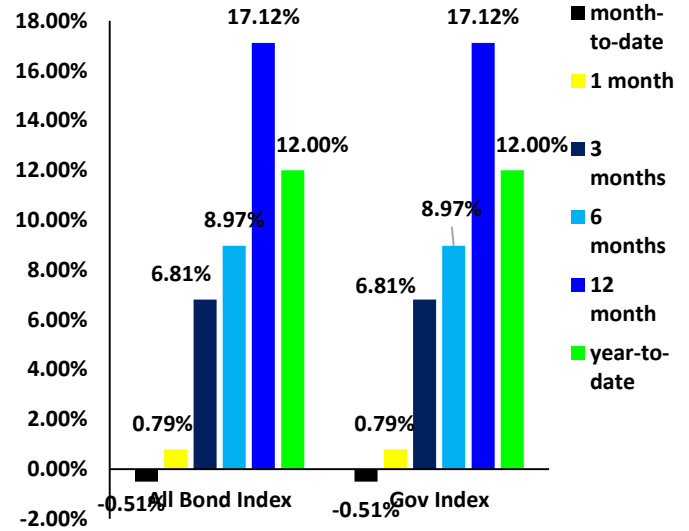
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 06-September-2023



Source: Investing.com & HEI Research

Figure 4: Total Bond Returns as of 06-September-2023 (%)



Source: HEI Research

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