

Daily Fixed Income Report (08 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the US dollar was trading at 0.004% lower than the Namibian dollar at N\$19.00, while the Euro marginally declined by 0.003% at N\$20.40. Furthermore, the British pound slightly traded weaker against the Namibian dollar by 0.003% trading at N\$23.80 (Figure 3)

- The yield of the GC2026 bond marginally declined by 1.01bps from 9.06% to 9.05%. The GC2045 bond's yield strengthened by 5.02 bps, from 12.90% to 12.95%. (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 declined when compared to the performance of the previous day
- Table 1 indicated an increase in futures fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	7-Sep-23	8-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	8.32
10 Months	8.40	8.41
11 Months	8.47	8.47
12 Months	8.53	8.54

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

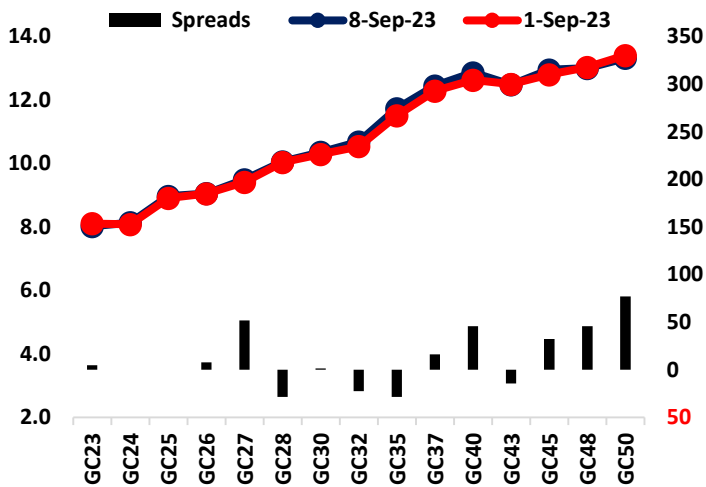
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Sep-23	7-Sep-23	8-Sep-23	(bps)	8-Sep-23
GC23	8.85	15-Oct-23	8.10	8.18	8.02	-15.55	100.05
GC24	10.5	15-Oct-24	8.08	8.19	8.13	-5.10	102.43
GC25	8.5	15-Apr-25	8.91	8.99	8.97	-2.00	99.30
GC26	8.5	15-Apr-26	9.05	9.06	9.05	-1.01	98.73
GC27	8	15-Jan-27	9.41	9.52	9.49	-2.60	95.78
GC28	8.5	15-Oct-28	10.04	10.06	10.05	-0.25	93.90
GC30	8	15-Jan-30	10.29	10.36	10.35	-0.25	89.22
GC32	9	15-Apr-32	10.54	10.66	10.68	2.46	90.67
GC35	9.5	15-Jul-35	11.51	11.69	11.73	3.78	85.88
GC37	9.5	15-Jul-37	12.28	12.41	12.45	4.21	80.74
GC40	9.8	15-Oct-40	12.63	12.66	12.86	20.12	78.99
GC43	10	15-Jul-43	12.49	12.44	12.48	3.92	81.89
GC45	9.85	15-Jul-45	12.80	12.90	12.95	5.02	77.58
GC48	10	15-Oct-48	13.03	12.96	13.00	4.37	78.35
GC50	10.25	15-Jul-50	13.40	13.27	13.32	4.37	77.66

Source: BoN & HEI Research

Important disclosure:

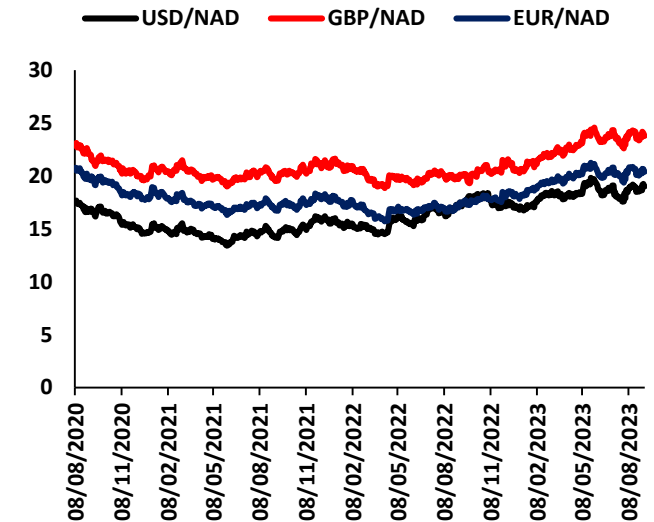
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 08-September-2023



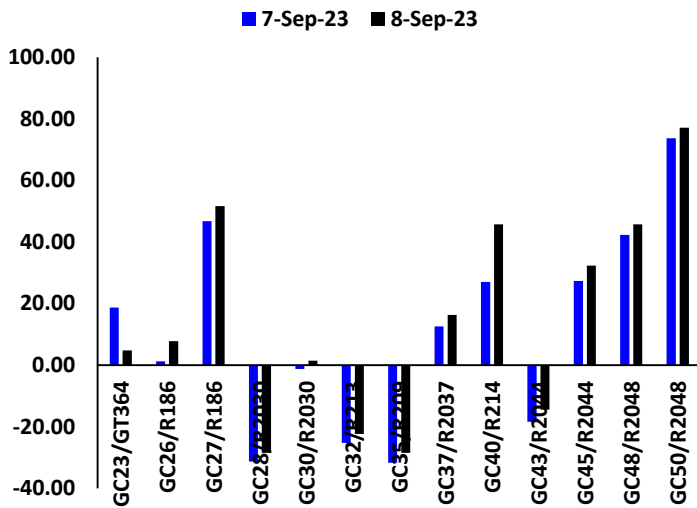
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 08-September-2023



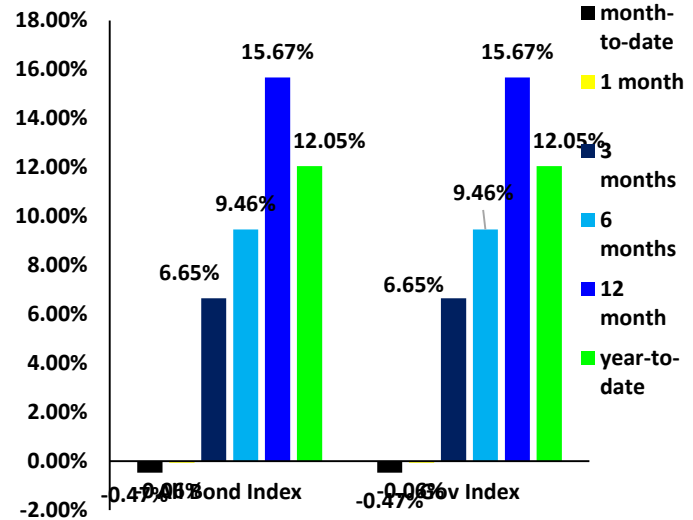
Source: Investing.com & HEI Research

Figure 2. Namibia vs. South Africa Bond Spreads: 07-September-2023 vs. 08-September-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as of 08-September-2023 (%)



Source: HEI Research

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