

## Daily Fixed Income Report (03 October 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar strengthened drastically against the Namibian dollar by 2.0% closing at N\$19.29, while the Euro marginally increased by 0.85% at N\$20.18. Furthermore, the British pound traded slightly higher against the Namibian dollar by 0.91% trading at N\$23.27(Figure 3)

- The yield of the GC2026 bond increased by 6.50 bps from 9.31% to 9.37%. The GC2048 bond also experienced an up surge in yields by 6.07 bps from 12.94% to 12.94%
- The Namibian bond spreads continue to widen as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds remained unchanged
- Based on the analysis depicted in Figure 4, total bond returns slightly declined on average by 0.46%
- Table 1 indicated a slight decline from the 7 months fixed-term deposit rates

**Table 1: Fixed Term Deposits**

Term	29-Sep-23	2-Oct-23
1 Month	7.49	7.49
2 Months	7.56	7.56
3 Months	7.58	7.58
4 Months	7.69	7.70
5 Months	7.75	7.75
6 Months	8.10	8.10
7 Months	8.15	8.14
8 Months	8.20	8.19
9 Months	8.21	8.25
10 Months	8.38	8.36
11 Months	8.44	8.43
12 Months	8.50	8.49

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

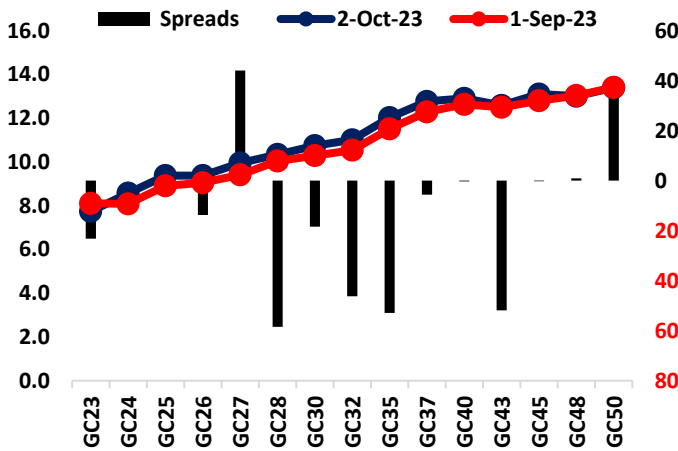
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Sep-23	29-Sep-23	2-Oct-23	(bps)	2-Oct-23
GC23	8.85	15-Oct-23	8.10	7.74	7.74	-0.65	100.0271
GC24	10.5	15-Oct-24	8.08	8.50	8.57	6.50	101.8667
GC25	8.5	15-Apr-25	8.91	9.31	9.37	6.50	98.7699
GC26	8.5	15-Apr-26	9.05	9.31	9.37	6.50	98.0646
GC27	8	15-Jan-27	9.41	9.89	9.95	6.50	94.6240
GC28	8.5	15-Oct-28	10.04	10.27	10.34	7.25	92.9092
GC30	8	15-Jan-30	10.29	10.67	10.74	7.25	87.6791
GC32	9	15-Apr-32	10.54	10.94	11.01	6.95	89.0609
GC35	9.5	15-Jul-35	11.51	11.96	12.03	6.50	84.2671
GC37	9.5	15-Jul-37	12.28	12.70	12.76	6.80	79.0400
GC40	9.8	15-Oct-40	12.63	12.84	12.90	6.50	78.8062
GC43	10	15-Jul-43	12.49	12.52	12.58	6.00	81.2820
GC45	9.85	15-Jul-45	12.80	13.05	13.10	4.63	76.7313
GC48	10	15-Oct-48	13.03	12.94	13.00	6.07	78.3443
GC50	10.25	15-Jul-50	13.40	13.33	13.39	6.07	77.2533

**Source: BoN & HEI Research**

**Important disclosure:**

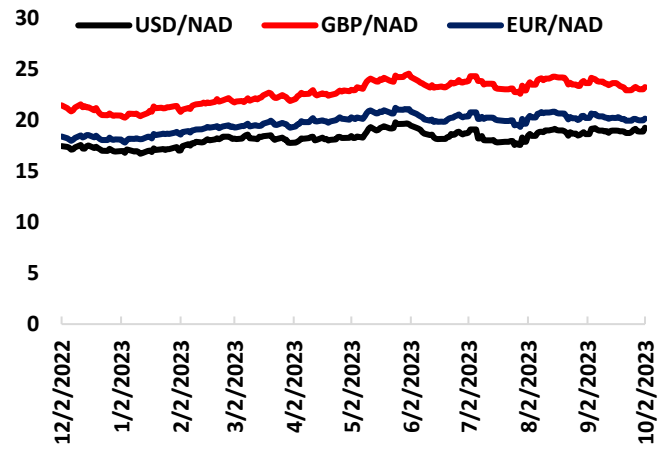
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 02-October-2023



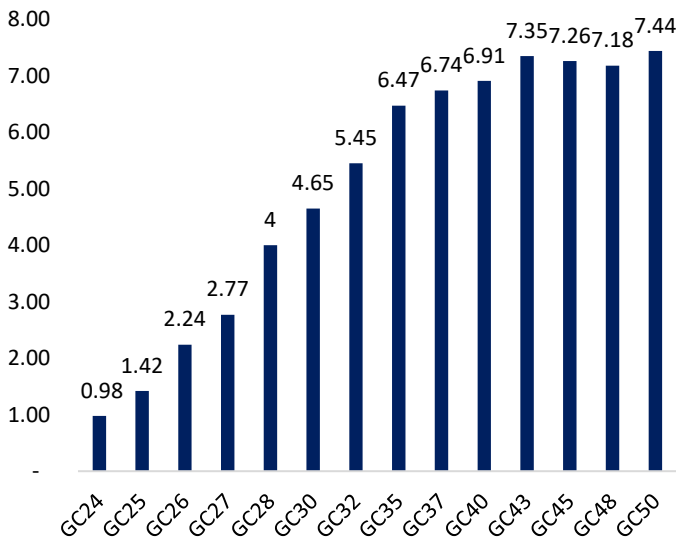
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 02-October-2023



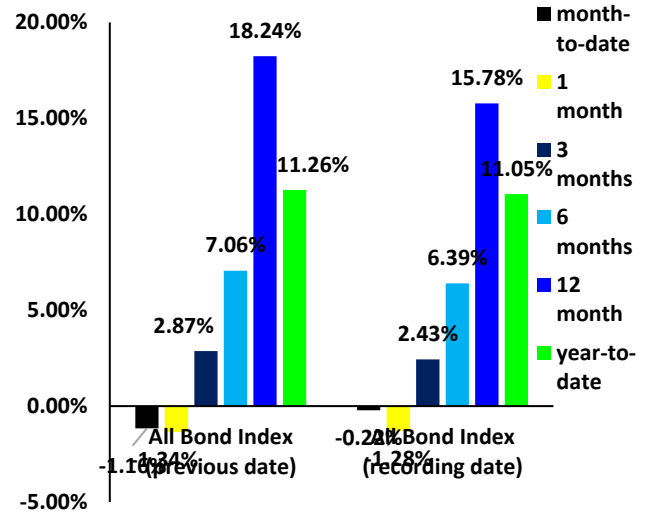
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 02-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 02-October-2023



Source: HEI Research

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