



## Daily Fixed Income Report (03 October 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar strengthened against the Namibian dollar by 0.2% closing at N\$19.32, while the Euro marginally increased by 0.25% at N\$20.23. Furthermore, the British pound traded slightly higher against the Namibian dollar by 0.30% trading at N\$23.34(Figure 3)

- The yield of the GC2026 bond increased by 4.71 bps from 9.37% to 9.42%. The GC2048 bond also experienced an upsurge in yields by 2.50 bps from 13.00% to 13.03%
- 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 decreased on average by 0.53%
- Table 1 indicated no change in the fixed-term deposit rates

**Table 1: Fixed Term Deposits**

Term	2-Oct-23	3-Oct-23
1 Month	7.49	7.49
2 Months	7.56	7.56
3 Months	7.58	7.58
4 Months	7.70	7.70
5 Months	7.75	7.75
6 Months	8.10	8.10
7 Months	8.14	8.14
8 Months	8.19	8.19
9 Months	8.25	8.25
10 Months	8.36	8.36
11 Months	8.43	8.43
12 Months	8.49	8.49

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

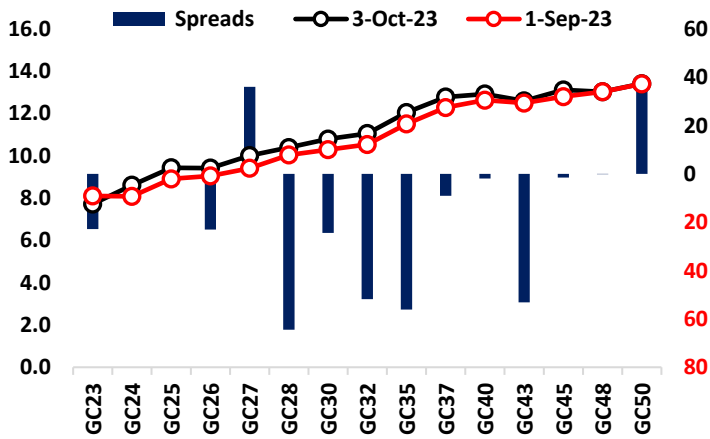
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 3-Oct-23
			1-Sep-23	2-Oct-23	3-Oct-23		
GC23	8.85	15-Oct-23	8.10	7.74	7.72	-1.76	100.0254
<b>GC24</b>	10.5	15-Oct-24	8.08	8.57	8.61	4.20	101.8212
<b>GC25</b>	8.5	15-Apr-25	8.91	9.37	9.43	6.00	98.6893
<b>GC26</b>	8.5	15-Apr-26	9.05	9.37	9.42	4.71	97.9642
<b>GC27</b>	8	15-Jan-27	9.41	9.95	10.01	6.00	94.4687
<b>GC28</b>	8.5	15-Oct-28	10.04	10.34	10.39	5.00	92.7291
<b>GC30</b>	8	15-Jan-30	10.29	10.74	10.79	5.00	87.4767
<b>GC32</b>	9	15-Apr-32	10.54	11.01	11.05	4.40	88.8422
<b>GC35</b>	9.5	15-Jul-35	11.51	12.03	12.05	2.30	84.1424
<b>GC37</b>	9.5	15-Jul-37	12.28	12.76	12.78	1.60	78.9557
<b>GC40</b>	9.8	15-Oct-40	12.63	12.90	12.92	1.90	78.7009
<b>GC43</b>	10	15-Jul-43	12.49	12.58	12.60	1.75	81.1762
<b>GC45</b>	9.85	15-Jul-45	12.80	13.10	13.11	1.75	76.6322
<b>GC48</b>	10	15-Oct-48	13.03	13.00	13.03	2.50	78.1991
<b>GC50</b>	10.25	15-Jul-50	13.40	13.39	13.41	2.50	77.1108

**Source: BoN & HEI Research**

**Important disclosure:**

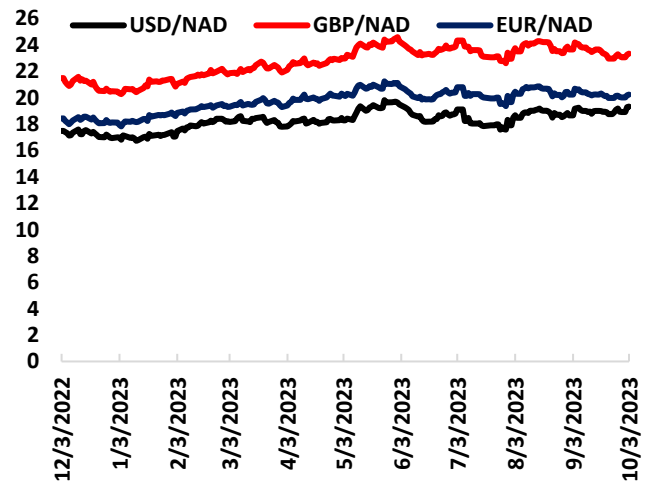
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 03-October-2023



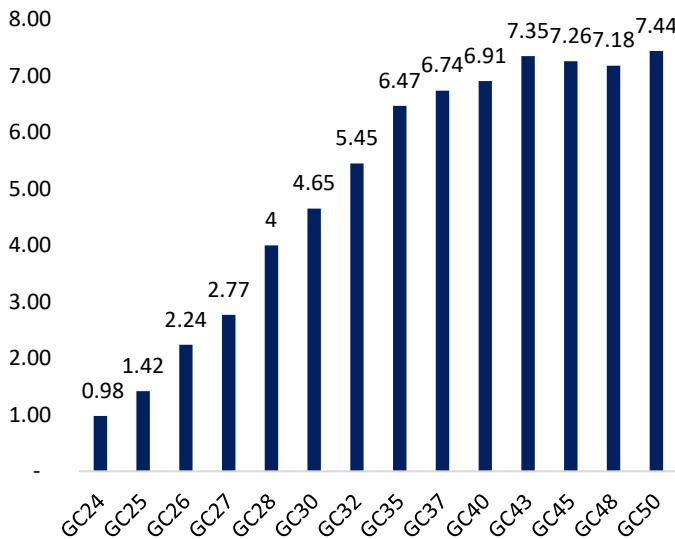
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 03-October-2023



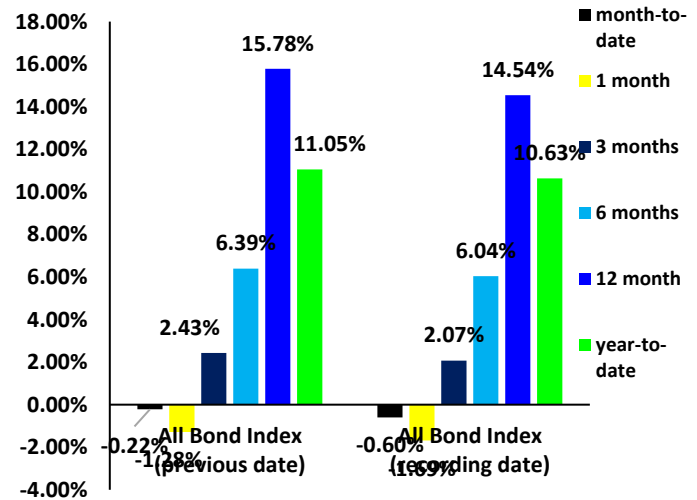
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 03-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 03-October-2023



Source: HEI Research

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