

Daily Fixed Income Report (04 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar weakened against the Namibian dollar by 0.1% closing at N\$19.30, while the Euro marginally declined by 0.10% at N\$20.21. Furthermore, the British pound traded slightly higher against the Namibian dollar by 0.56% trading at N\$23.47(Figure 3)

- The yield of the GC2026 bond decreased by 11.56 bps from 9.42% to 9.30%. The GC2048 bond also experienced an upsurge in yields by 7.12 bps from 13.03% to 13.10%
- 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 0.20%
- Table 1 indicated a slight decline of 5bps in the 5-month fixed-term deposit rates, while the rest remained unchanged.

Table 1: Fixed Term Deposits

Term	3-Oct-23	4-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	8.20
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

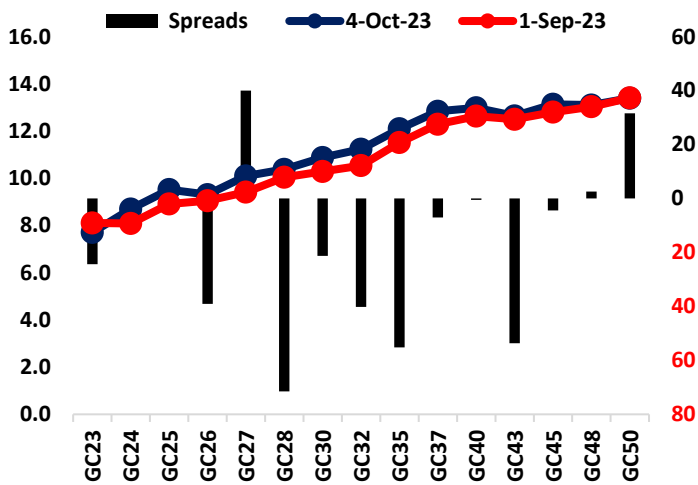
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Sep-23	3-Oct-23	4-Oct-23	(bps)	4-Oct-23
GC23	8.85	15-Oct-23	8.10	7.72	7.70	-1.95	100.0238
GC24	10.5	15-Oct-24	8.08	8.61	8.69	8.40	101.7350
GC25	8.5	15-Apr-25	8.91	9.43	9.52	8.40	98.5760
GC26	8.5	15-Apr-26	9.05	9.42	9.30	-11.56	98.2187
GC27	8	15-Jan-27	9.41	10.01	10.09	8.40	94.2507
GC28	8.5	15-Oct-28	10.04	10.39	10.38	-1.51	92.7881
GC30	8	15-Jan-30	10.29	10.79	10.88	8.60	87.1273
GC32	9	15-Apr-32	10.54	11.05	11.23	17.62	87.9657
GC35	9.5	15-Jul-35	11.51	12.05	12.09	4.45	83.9004
GC37	9.5	15-Jul-37	12.28	12.78	12.83	5.47	78.6646
GC40	9.8	15-Oct-40	12.63	12.92	12.98	5.88	78.3724
GC43	10	15-Jul-43	12.49	12.60	12.64	4.01	80.9334
GC45	9.85	15-Jul-45	12.80	13.11	13.13	1.59	76.5422
GC48	10	15-Oct-48	13.03	13.03	13.10	7.12	77.7869
GC50	10.25	15-Jul-50	13.40	13.41	13.39	-2.18	77.2357

Source: BoN & HEI Research

Important disclosure:

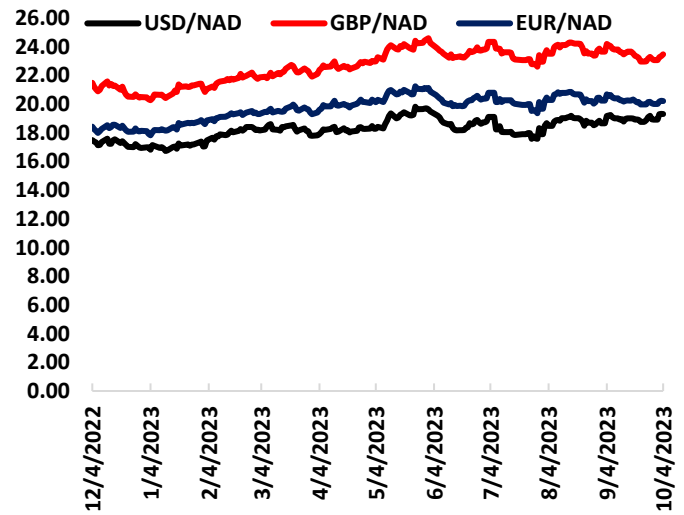
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 04-October-2023



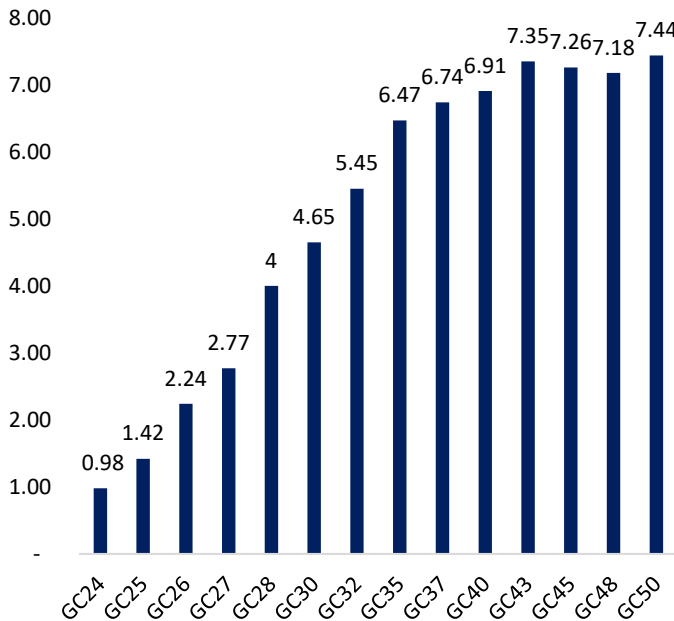
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 04-October-2023



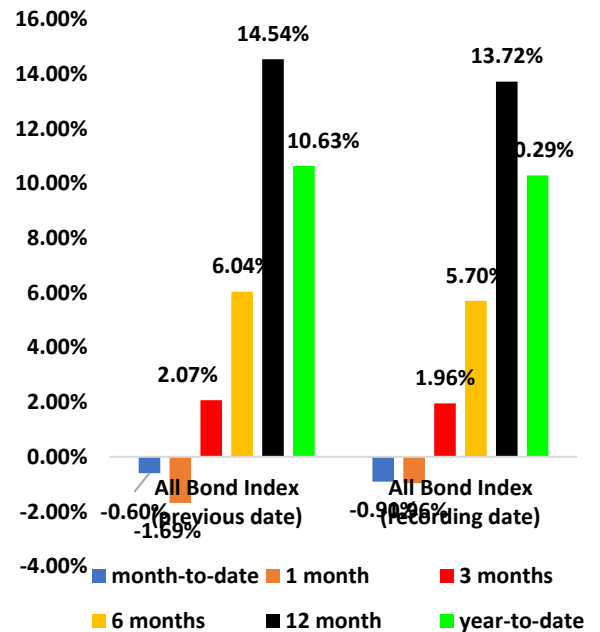
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 04-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 04-October-2023



Source: HEI Research

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