



## Daily Fixed Income Report (05 October 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar strengthened against the Namibian dollar by 1.3% closing at N\$19.56, while the Euro also increased by 1.98% at N\$20.61. Furthermore, the British pound traded slightly higher against the Namibian dollar by 1.41% trading at N\$23.81(Figure 3)

- The yield of the GC2026 bond declined by 1.76 bps from 9.30% to 9.29%. The GC2048 bond experienced an upsurge in yield by 2.52 bps from 13.10% to 13.13%
- 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 increased on average by 0.69%
- Table 1 indicated an increase in the 9-month fixed-term deposit rates, while the rest remained unchanged

**Table 1: Fixed Term Deposits**

Term	4-Oct-23	5-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	8.20	8.26
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**

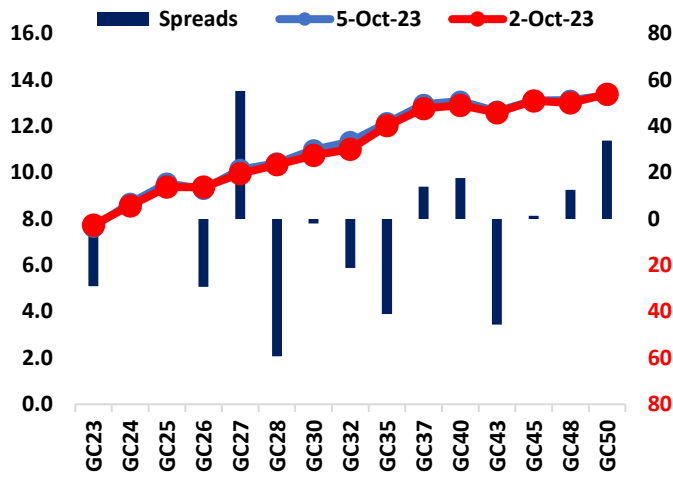
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	4-Oct-23	5-Oct-23	(bps)	5-Oct-23
GC23	8.85	15-Oct-23	7.74	7.70	7.66	-4.36	100.0226
GC24	10.5	15-Oct-24	8.57	8.69	8.68	-1.56	101.7463
GC25	8.5	15-Apr-25	9.37	9.52	9.54	2.35	98.5465
GC26	8.5	15-Apr-26	9.37	9.30	9.29	-1.76	98.2594
GC27	8	15-Jan-27	9.95	10.09	10.13	3.74	94.1562
GC28	8.5	15-Oct-28	10.34	10.38	10.41	3.76	92.6540
GC30	8	15-Jan-30	10.74	10.88	10.98	10.80	86.6902
GC32	9	15-Apr-32	11.01	11.23	11.34	10.95	87.4278
GC35	9.5	15-Jul-35	12.03	12.09	12.15	5.59	83.5975
GC37	9.5	15-Jul-37	12.76	12.83	12.94	10.93	78.0862
GC40	9.8	15-Oct-40	12.90	12.98	13.08	10.12	77.8114
GC43	10	15-Jul-43	12.58	12.64	12.64	0.46	80.9059
GC45	9.85	15-Jul-45	13.10	13.13	13.11	-1.80	76.6448
GC48	10	15-Oct-48	13.00	13.10	13.13	2.52	77.6419
GC50	10.25	15-Jul-50	13.39	13.39	13.34	-5.25	77.5375

**Source: BoN & HEI Research**

**Important disclosure:**

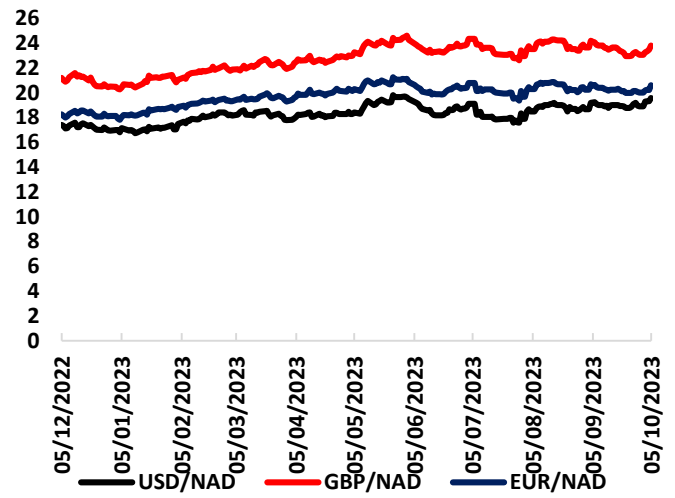
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**Figure 1. Namibia Bond Yield: 02-October-2023 vs. 05-October-2023**



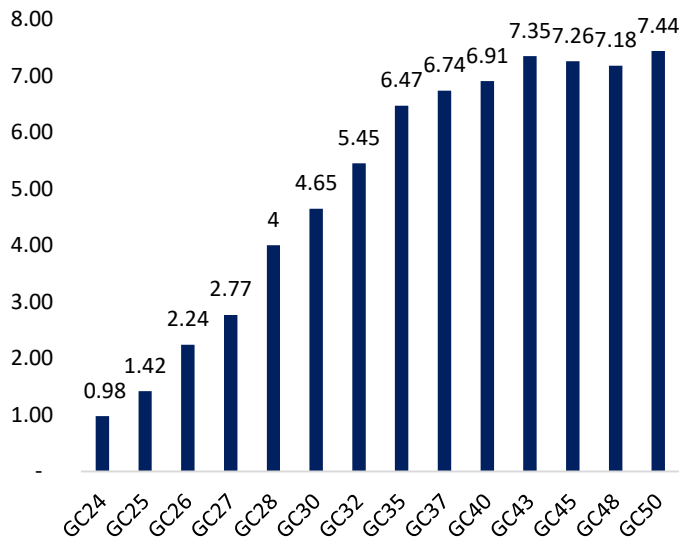
Source: BoN & HEI Research

**Figure 3: Historic FX Trends till 05-October-2023**



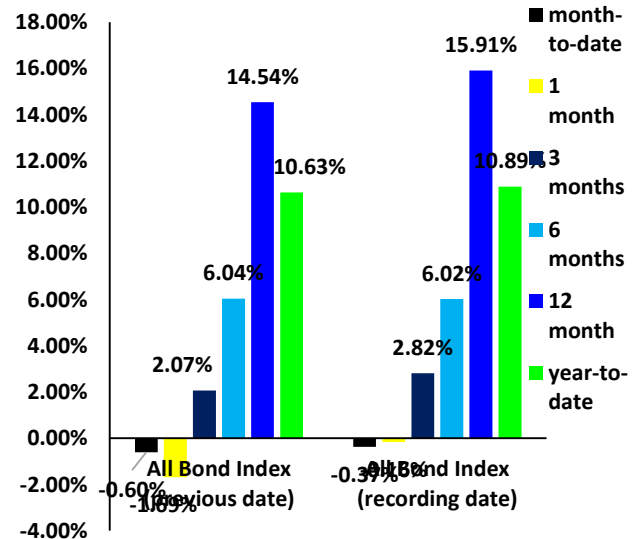
Source: Investing.com & HEI Research

**Figure 2. Modified duration as of 05-October-2023**



Source: BoN & HEI Research

**Figure 4: Total Bond Returns (%) as of 05-October-2023**



Source: HEI Research

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