

Daily Fixed Income Report (06 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Friday the US dollar weakened against the Namibian dollar by 1.4%, closing at N\$19.29, while the Euro also declined by 1.21% at N\$20.36. Furthermore, the British pound traded lower against the Namibian dollar by 1.01% trading at N\$23.56(Figure 3)

- The yield of the GC2026 bond declined by 950 bps from 9.29% to 9.19%. The GC2048 bond experienced a deterioration in yield by 967 bps from 13.13% to 13.03%
- The Namibian bond spreads marginally changed as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds declined by 2bps
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 0.52%
- Table 1 showed mixed movements in fixed-term deposit rates.

Table 1: Fixed Term Deposits

Term	5-Oct-23	6-Oct-23
1 Month	7.49	7.48
2 Months	7.56	7.55
3 Months	7.58	7.59
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	8.26	8.26
10 Months	8.36	8.36
11 Months	8.43	8.43
12 Months	8.49	8.50

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

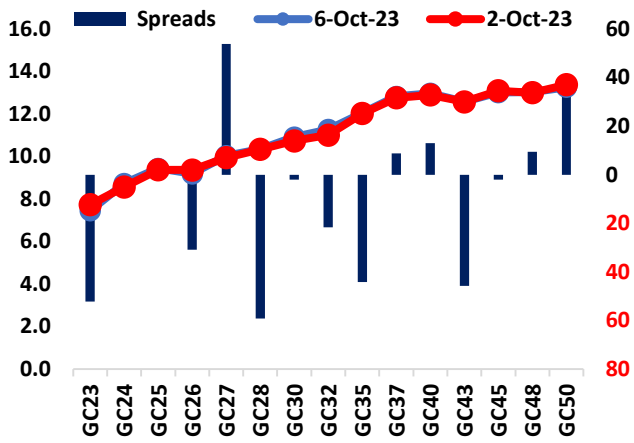
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	5-Oct-23	6-Oct-23	(bps)	6-Oct-23
GC23	8.85	15-Oct-23	7.74	7.66	7.45	-20.85	100.0253
GC24	10.5	15-Oct-24	8.57	8.68	8.74	6.00	101.6840
GC25	8.5	15-Apr-25	9.37	9.54	9.45	-9.63	98.6818
GC26	8.5	15-Apr-26	9.37	9.29	9.19	-9.50	98.4690
GC27	8	15-Jan-27	9.95	10.13	10.04	-9.38	94.4072
GC28	8.5	15-Oct-28	10.34	10.41	10.35	-6.50	92.8958
GC30	8	15-Jan-30	10.74	10.98	10.92	-6.50	86.9592
GC32	9	15-Apr-32	11.01	11.34	11.27	-6.38	87.7450
GC35	9.5	15-Jul-35	12.03	12.15	12.05	-9.63	84.1249
GC37	9.5	15-Jul-37	12.76	12.94	12.83	-11.00	78.6715
GC40	9.8	15-Oct-40	12.90	13.08	12.97	-10.63	78.4042
GC43	10	15-Jul-43	12.58	12.64	12.58	-6.68	81.3122
GC45	9.85	15-Jul-45	13.10	13.11	13.01	-9.83	77.2085
GC48	10	15-Oct-48	13.00	13.13	13.03	-9.67	78.2015
GC50	10.25	15-Jul-50	13.39	13.34	13.27	-7.25	77.9578

Source: BoN & HEI Researc

Important disclosure:

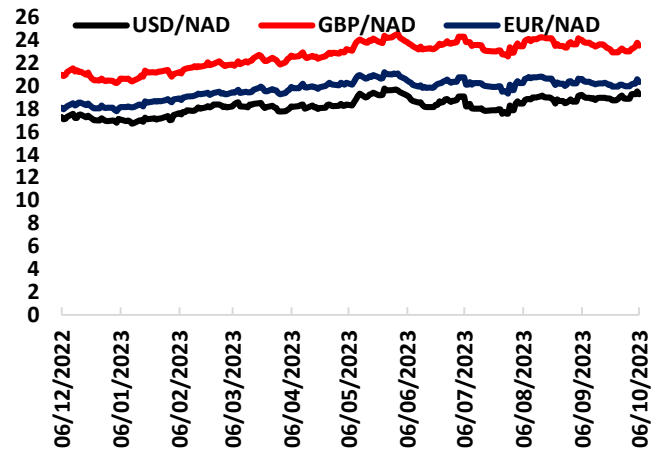
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 06-October-2023



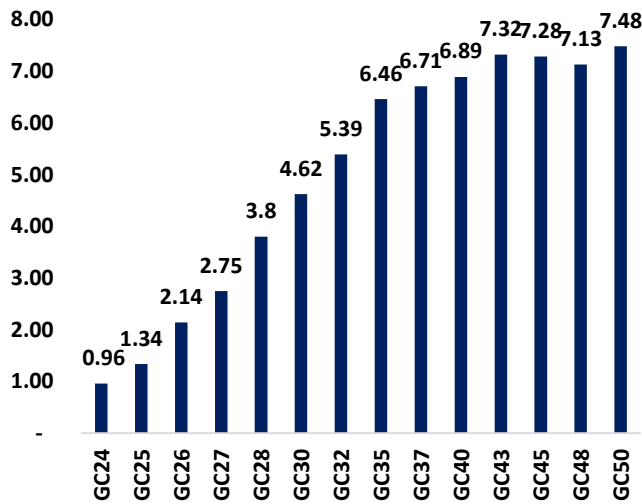
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 06-October-2023



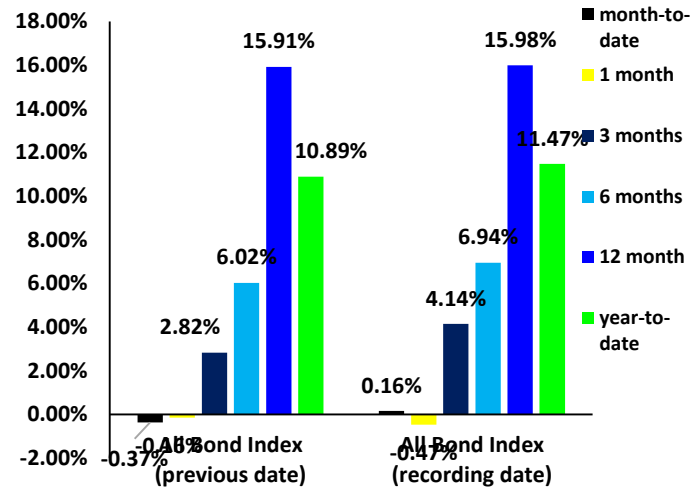
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 06-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 06-October-2023



Source: HEI Research

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