

Daily Fixed Income Report (10 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar weakened against the Namibian dollar by 1.6%, closing at N\$19.03, while the Euro also declined by 1.17% at N\$20.19. Furthermore, the British pound traded lower against the Namibian dollar by 1.10% trading at N\$23.40(Figure 3)

- The yield of the GC2026 bond declined by 21.13 bps from 9.18% to 8.97%. The GC2048 bond experienced a deterioration in yield by 10.33 bps from 13.03% to 12.93%
- The Namibian bond yield curve continues to decline as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds declined by 1bps
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 0.89%
- Table 1 showed no changes in fixed-term deposit rates.

Table 1: Fixed Term Deposits

Term	9-Oct-23	10-Oct-23
1 Month	7.48	7.48
2 Months	7.55	7.55
3 Months	7.59	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	8.50	8.50

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

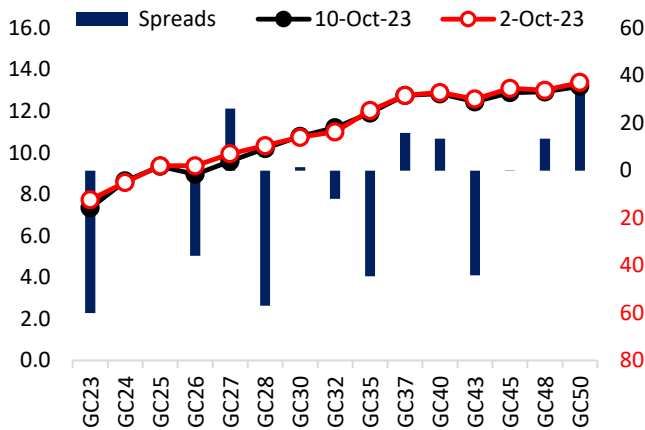
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			2-Oct-23	9-Oct-23	10-Oct-23		10-Oct-23
GC23	8.85	15-Oct-23	7.74	7.41	7.35	-6.25	100.0146
GC24	10.5	15-Oct-24	8.57	8.72	8.64	-8.62	101.7652
GC25	8.5	15-Apr-25	9.37	9.43	9.35	-8.63	98.8277
GC26	8.5	15-Apr-26	9.37	9.18	8.97	-21.13	98.9695
GC27	8	15-Jan-27	9.95	9.64	9.59	-5.87	95.6220
GC28	8.5	15-Oct-28	10.34	10.34	10.21	-13.38	93.4339
GC30	8	15-Jan-30	10.74	10.81	10.79	-2.63	87.5125
GC32	9	15-Apr-32	11.01	11.27	11.21	-6.00	88.0911
GC35	9.5	15-Jul-35	12.03	12.05	11.92	-13.50	84.8905
GC37	9.5	15-Jul-37	12.76	12.84	12.76	-8.00	79.0794
GC40	9.8	15-Oct-40	12.90	12.98	12.83	-14.23	79.2000
GC43	10	15-Jul-43	12.58	12.58	12.45	-13.17	82.1036
GC45	9.85	15-Jul-45	13.10	13.02	12.89	-12.83	77.9367
GC48	10	15-Oct-48	13.00	13.03	12.93	-10.33	78.7893
GC50	10.25	15-Jul-50	13.39	13.27	13.20	-6.80	78.3418

Source: BoN & HEI Research

Important disclosure:

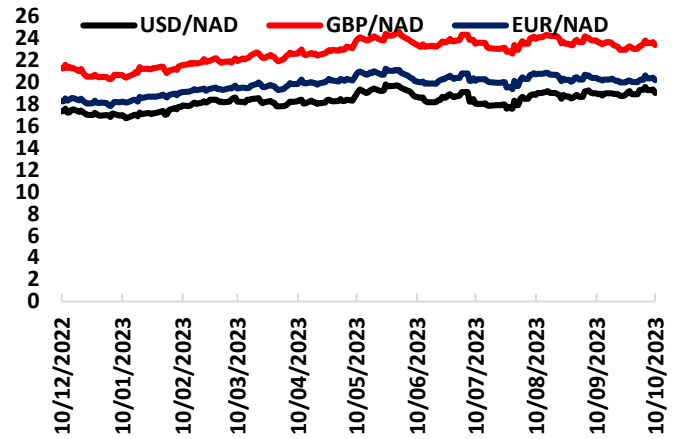
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 10-October-2023



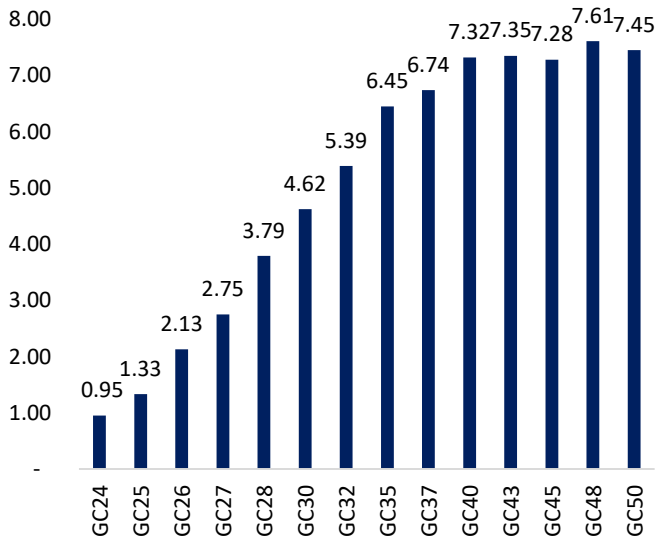
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 10-October-2023



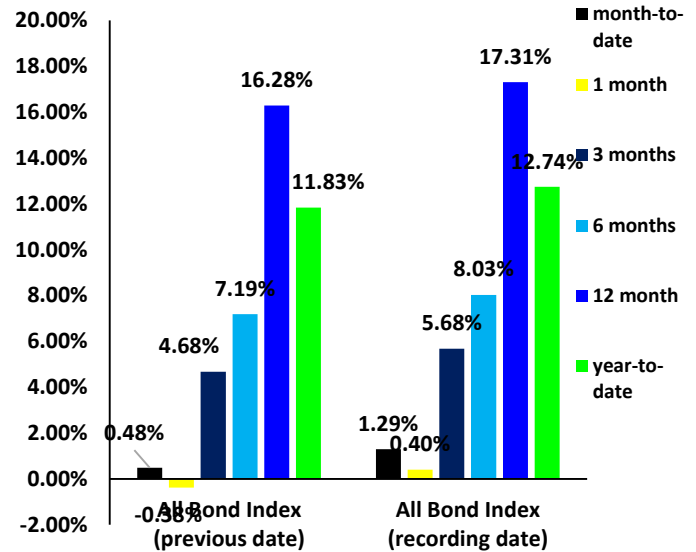
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 10-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 10-October-2023



Source: HEI Research

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