

Daily Fixed Income Report (11 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- Yesterday, the US dollar slightly strengthened against the Namibian dollar by 0.8%, closing at N\$18.99, while the Euro declined by 0.05% at N\$20.03. Furthermore, the British pound traded lower against the Namibian dollar by 0.13% trading at N\$23.17(Figure 3)

- The yield of the GC2026 bond declined by 4.50bps from 8.93% to 8.89%. The GC2048 bond experienced a deterioration in yield by 7.83 bps from 12.90% to 12.82%
- The Namibian bond yield curve continues to decline 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 0.10%
- Table 1 showed no changes in fixed-term deposit rates.

Table 1: Fixed Term Deposits

Term	11-Oct-23	12-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

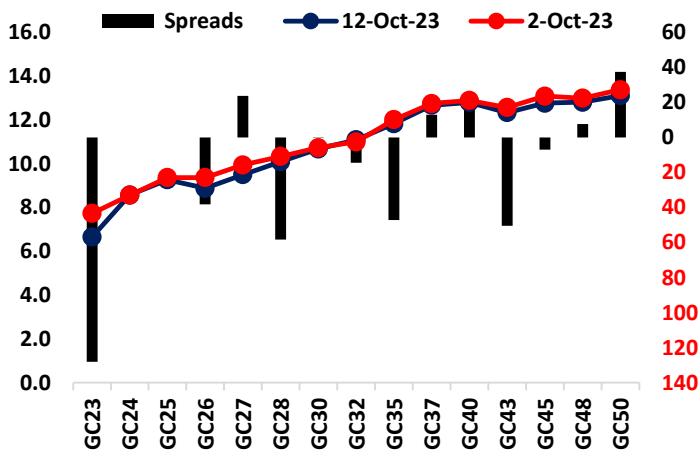
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	11-Oct-23	12-Oct-23		(bps)
GC23	8.85	15-Oct-23	7.74	7.27	6.66	-60.69	100.0130
GC24	10.5	15-Oct-24	8.57	8.65	8.58	-7.50	101.8171
GC25	8.5	15-Apr-25	9.37	9.31	9.27	-4.50	98.9386
GC26	8.5	15-Apr-26	9.37	8.93	8.89	-4.50	99.1421
GC27	8	15-Jan-27	9.95	9.55	9.51	-4.50	95.8354
GC28	8.5	15-Oct-28	10.34	10.17	10.10	-7.50	93.8380
GC30	8	15-Jan-30	10.74	10.76	10.68	-7.50	87.9633
GC32	9	15-Apr-32	11.01	11.17	11.10	-7.25	88.6199
GC35	9.5	15-Jul-35	12.03	11.90	11.84	-5.88	85.3188
GC37	9.5	15-Jul-37	12.76	12.74	12.68	-6.12	79.5076
GC40	9.8	15-Oct-40	12.90	12.87	12.81	-5.88	79.3246
GC43	10	15-Jul-43	12.58	12.42	12.34	-8.00	82.7705
GC45	9.85	15-Jul-45	13.10	12.86	12.78	-8.00	78.6065
GC48	10	15-Oct-48	13.00	12.90	12.82	-7.83	79.4534
GC50	10.25	15-Jul-50	13.39	13.17	13.12	-5.88	78.8372

Source: BoN & HEI Research

Important disclosure:

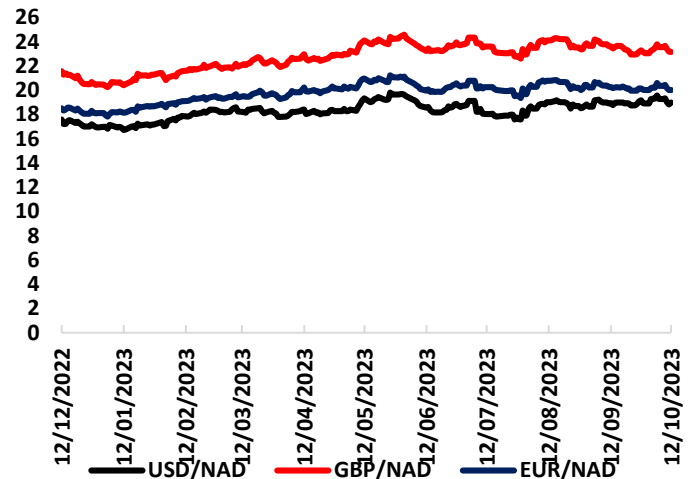
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 12-October-2023



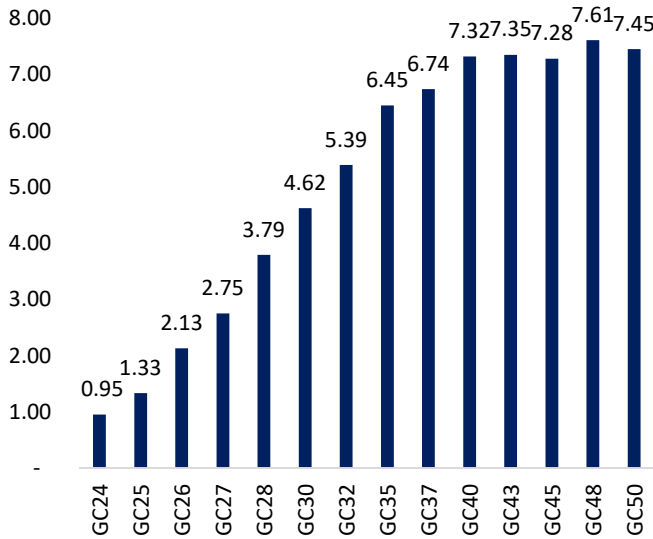
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 12-October-2023



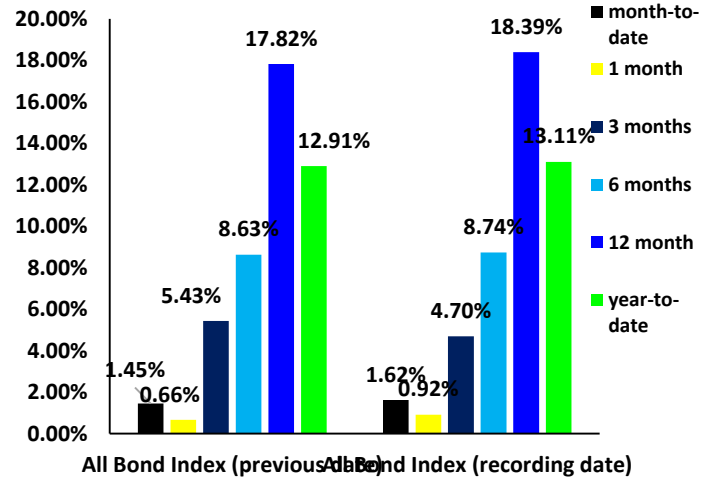
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 12-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 12-October-2023



Source: HEI Research

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