

Daily Fixed Income Report (19 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the US dollar slightly weakened against the Namibian dollar by 0.4%, closing at N\$19.01, while the Euro declined 0.49% at N\$20.11. Furthermore, the British pound traded lower against the Namibian dollar by 0.17% trading at N\$23.10 (Figure 3)

- The yield of the GC2026 bond declined by 2.80bps from 9.03 % to 9.00%. The GC2048 bond experienced a deterioration in yield by 5.50 bps from 12.86% to 12.80%
- 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 0.36%
- Table 1 displayed no changes in fixed-term deposit rates.

Table 1: Fixed Term Deposits

Term	18-Oct-23	19-Oct-23
1 Month	7.57	7.57
2 Months	7.60	7.60
3 Months	7.63	7.63
4 Months	7.70	7.70
5 Months	7.76	7.76
6 Months	8.10	8.10
7 Months	8.14	8.14
8 Months	8.18	8.18
9 Months	8.25	8.25
10 Months	8.35	8.35
11 Months	8.41	8.41
12 Months	8.48	8.48

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

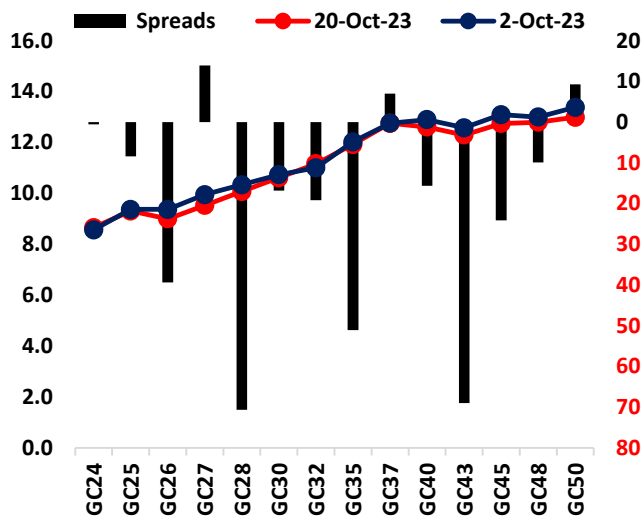
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	18-Oct-23	19-Oct-23	(bps)	19-Oct-23
GC24	10.5	Tuesday, October 15, 2024	8.57	8.66	8.66	0.10	101.70
GC25	8.5	Tuesday, April 15, 2025	9.37	9.34	9.31	-2.80	98.90
GC26	8.5	Wednesday, April 15, 2026	9.37	9.03	9.00	-2.80	98.90
GC27	8	Friday, January 15, 2027	9.95	9.56	9.53	-2.80	95.79
GC28	8.5	Sunday, October 15, 2028	10.34	10.10	10.08	-2.40	93.93
GC30	8	Tuesday, January 15, 2030	10.74	10.64	10.62	-2.40	88.26
GC32	9	Thursday, April 15, 2032	11.01	11.18	11.16	-2.10	88.33
GC35	9.5	Sunday, July 15, 2035	12.03	11.96	11.92	-3.70	84.86
GC37	9.5	Wednesday, July 15, 2037	12.76	12.79	12.76	-3.50	79.11
GC40	9.8	Monday, October 15, 2040	12.90	12.66	12.61	-5.40	80.51
GC43	10	Wednesday, July 15, 2043	12.58	12.36	12.30	-6.00	83.04
GC45	9.85	Saturday, July 15, 2045	13.10	12.81	12.75	-6.00	78.77
GC48	10	Thursday, October 15, 2048	13.00	12.86	12.80	-5.50	79.55
GC50	10.25	Friday, July 15, 2050	13.39	13.05	12.99	-5.50	79.5800

Source: BoN & HEI Resear

Important disclosure:

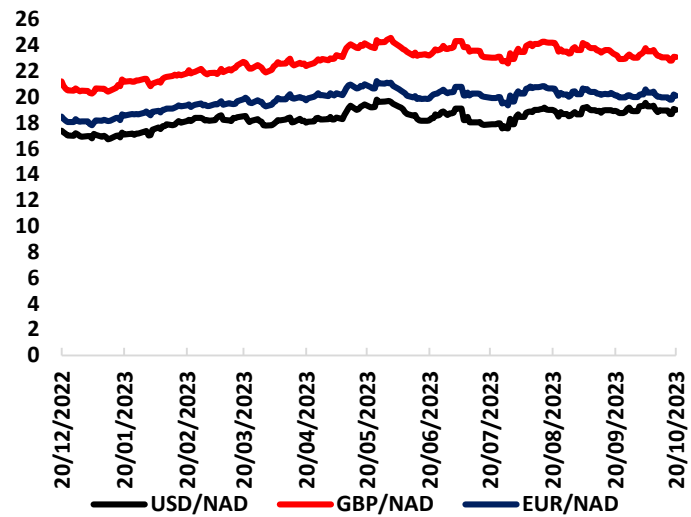
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 20-October-2023



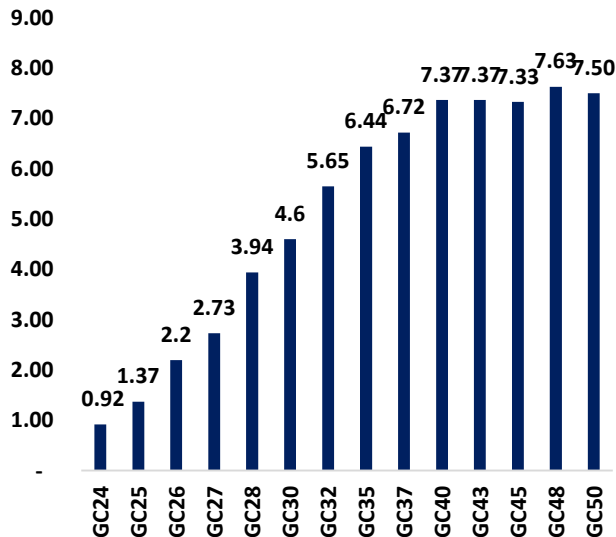
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 20-October-2023



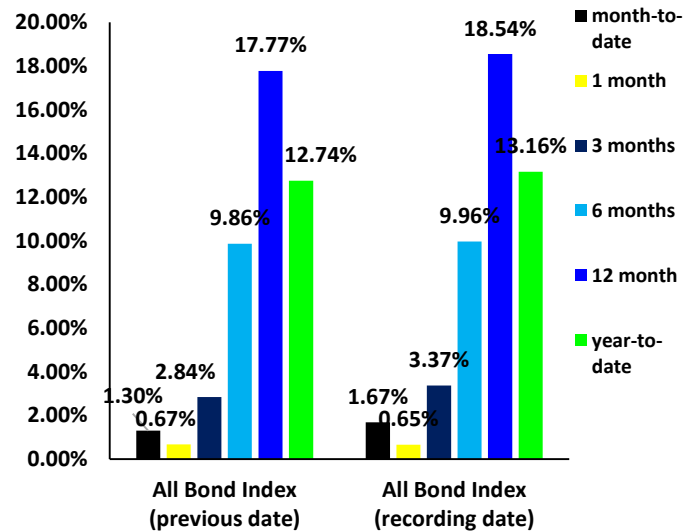
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 20-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 20-October-2023



Source: HEI Research

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