

Daily Fixed Income Report (23 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Monday the US dollar slightly weakened against the Namibian dollar by 0.6%, closing at N\$18.89, while the Euro increased by 0.35% at N\$20.18. Furthermore, the British pound traded higher against the Namibian dollar by 0.39% trading at N\$23.19 (Figure 3)

- The yield of the GC2026 bond declined by 1.60bps from 9.00 % to 8.99%. The GC2048 bond experienced a deterioration in yield by 0.25 bps from 12.80% to 12.80%
- The Namibian bond yield curve continues to decline as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds declined significantly.
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 0.07%
- Table 1 displayed no changes in fixed-term deposit rates.

Table 1: Fixed Term Deposits

Term	20-Oct-23	23-Oct-23
1 Month	7.57	7.57
2 Months	7.60	7.60
3 Months	7.63	7.63
4 Months	7.71	7.71
5 Months	7.78	7.78
6 Months	8.10	8.10
7 Months	8.15	8.15
8 Months	8.18	8.18
9 Months	8.26	8.26
10 Months	8.35	8.35
11 Months	8.41	8.41
12 Months	8.47	8.47

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

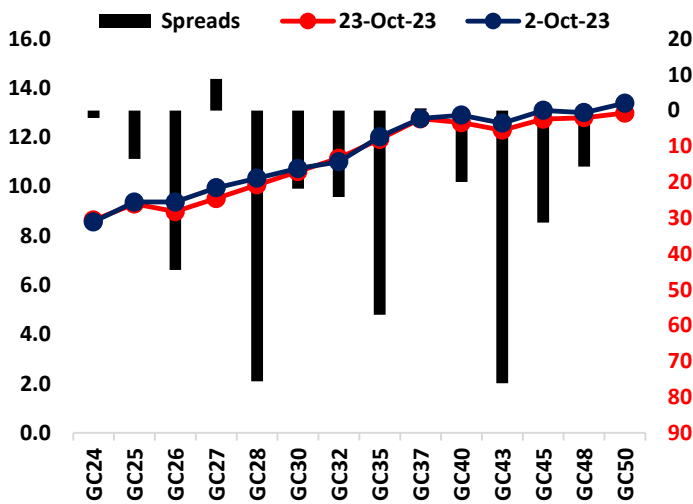
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	20-Oct-23	23-Oct-23	(bps)	23-Oct-23
GC24	10.5	Tuesday, October 15, 2024	8.57	8.66	8.64	-1.60	101.70
GC25	8.5	Tuesday, April 15, 2025	9.37	9.31	9.29	-1.60	98.92
GC26	8.5	Wednesday, April 15, 2026	9.37	9.00	8.99	-1.60	98.94
GC27	8	Friday, January 15, 2027	9.95	9.53	9.52	-1.60	95.84
GC28	8.5	Sunday, October 15, 2028	10.34	10.08	10.07	-1.00	93.97
GC30	8	Tuesday, January 15, 2030	10.74	10.62	10.61	-1.00	88.31
GC32	9	Thursday, April 15, 2032	11.01	11.16	11.15	-1.00	88.38
GC35	9.5	Sunday, July 15, 2035	12.03	11.92	11.92	-0.40	84.89
GC37	9.5	Wednesday, July 15, 2037	12.76	12.76	12.75	-0.40	79.14
GC40	9.8	Monday, October 15, 2040	12.90	12.61	12.60	-0.80	80.56
GC43	10	Wednesday, July 15, 2043	12.58	12.30	12.29	-0.63	83.08
GC45	9.85	Saturday, July 15, 2045	13.10	12.75	12.74	-0.62	78.81
GC48	10	Thursday, October 15, 2048	13.00	12.80	12.80	-0.25	79.57
GC50	10.25	Friday, July 15, 2050	13.39	12.99	12.99	-0.50	79.6112

Source: BoN & HEI Research

Important disclosure:

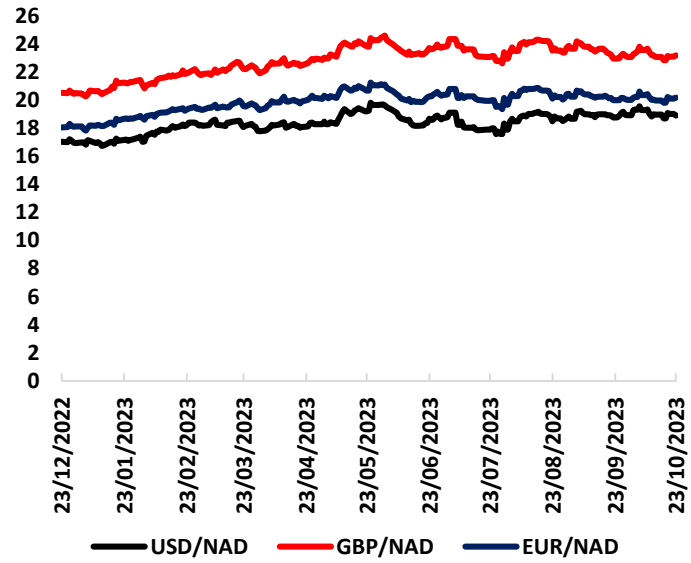
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 23-October-2023



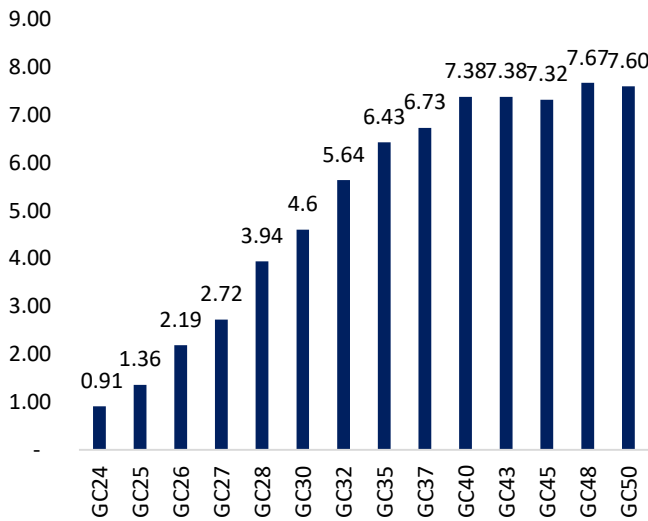
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 23-October-2023



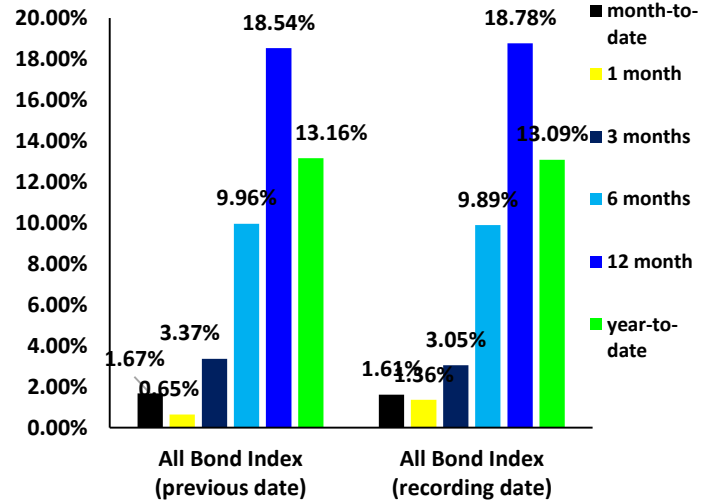
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 23-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 23-October-2023



Source: HEI Research

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