

Daily Fixed Income Report (24 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Tuesday, the US dollar slightly strengthened against the Namibian dollar by 0.7%, closing at N\$19.03, while the Euro decreased by 0.05% at N\$20.17. Furthermore, the British pound traded lower against the Namibian dollar by 0.13% trading at N\$23.16 (Figure 3)

- The yield of the GC2026 bond declined by 16.60bps from 8.99% to 8.82%. The GC2048 bond experienced an upward orientation in yield by 25.59 bps from 12.80% to 13.05%
- The Namibian bond yield curve continues to decline as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds increased significantly on longer-dated bonds.
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 0.66%
- Table 1 displayed a slight decline in the 2 months fixed-term deposit rates, while the rest remained unchanged

Table 1: Fixed Term Deposits

Term	23-Oct-23	24-Oct-23
1 Month	7.57	7.57
2 Months	7.60	7.59
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

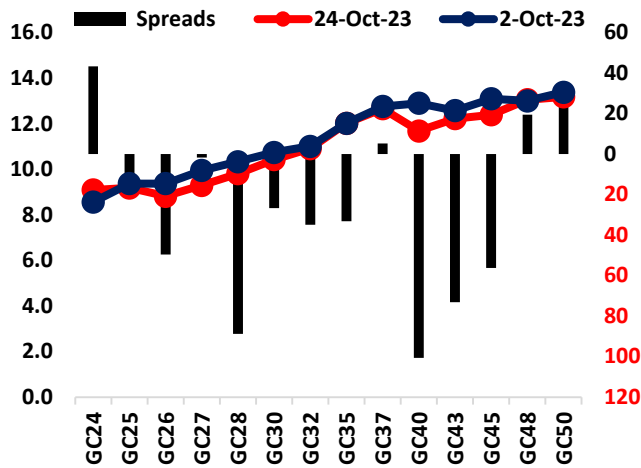
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	23-Oct-23	24-Oct-23	(bps)	24-Oct-23
GC24	10.5	Tuesday, October 15, 2024	8.57	8.64	9.10	45.40	101.28
GC25	8.5	Tuesday, April 15, 2025	9.37	9.29	9.18	-11.04	99.07
GC26	8.5	Wednesday, April 15, 2026	9.37	8.99	8.82	-16.60	99.30
GC27	8	Friday, January 15, 2027	9.95	9.52	9.30	-22.02	96.43
GC28	8.5	Sunday, October 15, 2028	10.34	10.07	9.81	-26.20	94.95
GC30	8	Tuesday, January 15, 2030	10.74	10.61	10.43	-17.94	89.06
GC32	9	Thursday, April 15, 2032	11.01	11.15	10.92	-23.80	89.58
GC35	9.5	Sunday, July 15, 2035	12.03	11.92	12.02	10.30	84.32
GC37	9.5	Wednesday, July 15, 2037	12.76	12.75	12.66	-8.94	79.62
GC40	9.8	Monday, October 15, 2040	12.90	12.60	11.69	-91.20	86.19
GC43	10	Wednesday, July 15, 2043	12.58	12.29	12.23	-6.56	83.49
GC45	9.85	Saturday, July 15, 2045	13.10	12.74	12.40	-34.48	80.92
GC48	10	Thursday, October 15, 2048	13.00	12.80	13.05	25.59	78.06
GC50	10.25	Friday, July 15, 2050	13.39	12.99	13.18	19.43	78.4510

Source: BoN & HEI Research

Important disclosure:

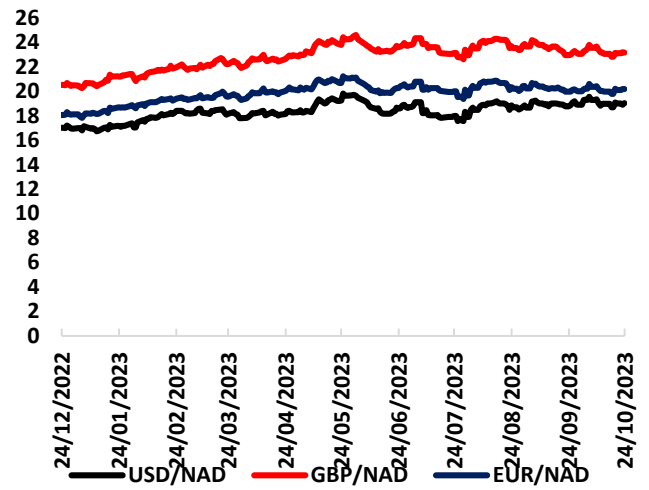
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 24-October-2023



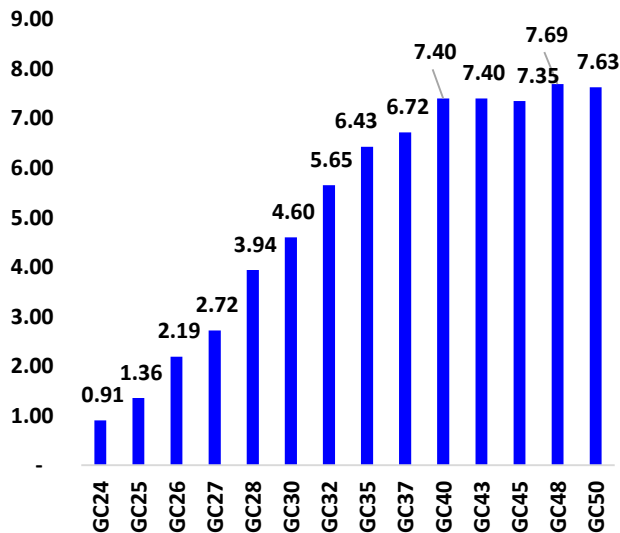
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 24-October-2023



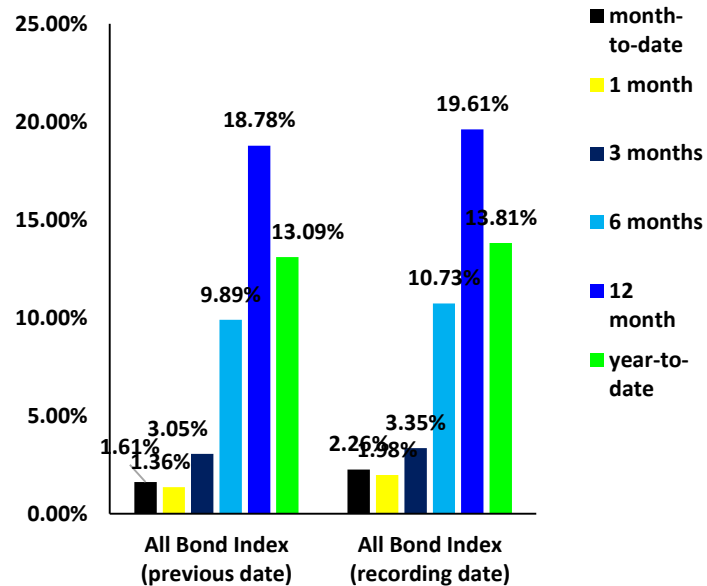
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 24-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 24-October-2023



Source: HEI Research

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