

## Daily Fixed Income Report (25 October 2023)

### HEI FIXED INCOME MARKET COMMENTARY

- On Wednesday, the US dollar slightly strengthened against the Namibian dollar by 1.1%, closing at N\$19.23, while the Euro increased by 0.50% at N\$20.27. Furthermore, the British pound traded higher against the Namibian dollar by 0.26% trading at N\$23.22 (Figure 3)
- The yield of the GC2026 bond remained unchanged at 8.82%. The GC2048 bond experienced a decrease in yield by 6.00 bps from 13.05% to 12.99%
- 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 0.03%
- Table 1 displayed mixed sentiments about fixed-term deposit rates,

**Table 1: Fixed Term Deposits**

Term	24-Oct-23	25-Oct-23
1 Month	7.57	7.57
2 Months	7.59	7.57
3 Months	7.63	7.64
4 Months	7.71	7.73
5 Months	7.78	7.79
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	8.46

**Source: BoN & HEI Research**

**Table 2. Namibia Government Bonds**

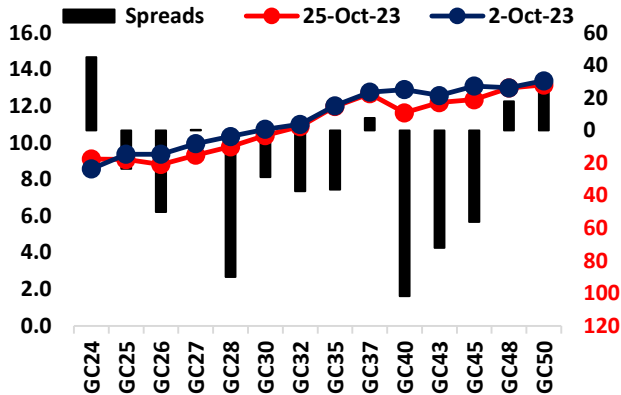
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA (bps)	Prices
			2-Oct-23	24-Oct-23	25-Oct-23		25-Oct-23
GC24	10.5	Tuesday, October 15, 2024	8.57	9.10	9.11	2.00	101.26
GC25	8.5	Tuesday, April 15, 2025	9.37	9.18	9.09	-10.00	99.20
GC26	8.5	Wednesday, April 15, 2026	9.37	8.82	8.82	0.00	99.30
GC27	8	Friday, January 15, 2027	9.95	9.30	9.32	3.00	96.36
GC28	8.5	Sunday, October 15, 2028	10.34	9.81	9.79	-2.00	95.03
GC30	8	Tuesday, January 15, 2030	10.74	10.43	10.40	-3.00	89.19
GC32	9	Thursday, April 15, 2032	11.01	10.92	10.88	-3.00	89.74
GC35	9.5	Sunday, July 15, 2035	12.03	12.02	11.98	-4.00	84.55
GC37	9.5	Wednesday, July 15, 2037	12.76	12.66	12.68	-2.00	79.54
GC40	9.8	Monday, October 15, 2040	12.90	11.69	11.64	-5.00	86.52
GC43	10	Wednesday, July 15, 2043	12.58	12.23	12.20	-3.00	83.67
GC45	9.85	Saturday, July 15, 2045	13.10	12.40	12.36	-4.00	81.17
GC48	10	Thursday, October 15, 2048	13.00	13.05	12.99	-6.00	78.42
GC50	10.25	Friday, July 15, 2050	13.39	13.18	13.16	-3.00	78.6048

**Source: BoN & HEI Research**

**Important disclosure:**

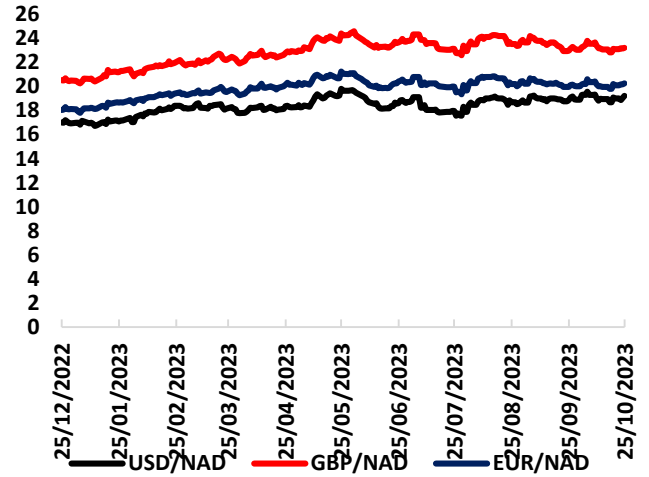
Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors should consult with their financial advisor or do their own research before making any investment decisions.

Figure 1. Namibia Bond Yield: 02-October-2023 vs. 25-October-2023



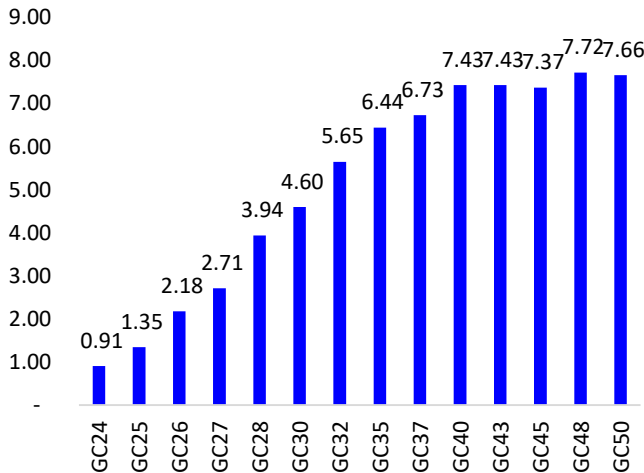
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 25-October-2023



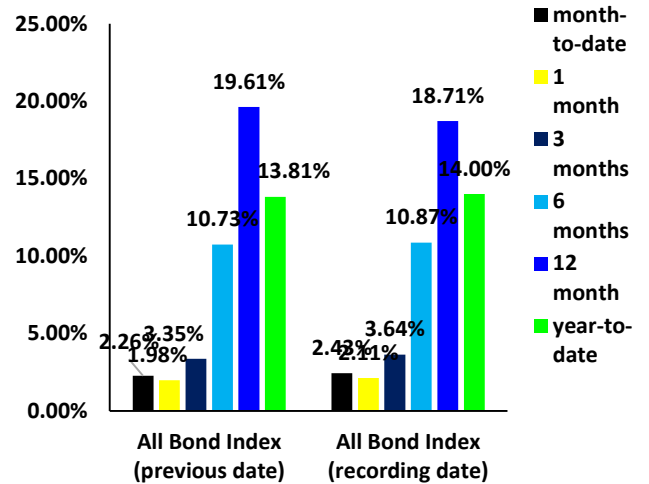
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 25-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 25-October-2023



Source: HEI Research

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