



Daily Fixed Income Report (26 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Thursday, the US dollar weakened against the Namibian dollar by 17%, closing at N\$18.91, while the Euro decreased by 1.43% at N\$19.98. Furthermore, the British pound traded lower against the Namibian dollar by 1.21% trading at N\$22.94 (Figure 3)
- The yield of the GC2026 bond declined by 13.00 bps from 8.82% to 8.69%. The GC2048 bond experienced an increase in yield by 2.00 bps from 12.99% to 13.01%
- The Namibian bond yield curve continues to decline as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds displayed mixed behavior.
- Based on the analysis depicted in Figure 4, total bond returns declined on average by 0.42%
- Table 1 displayed no changes in fixed-term deposit rates,

Table 1: Fixed Term Deposits

Term	25-Oct-23	26-Oct-23
1 Month	7.57	7.57
2 Months	7.57	7.57
3 Months	7.64	7.64
4 Months	7.73	7.73
5 Months	7.79	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	8.46	8.46

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

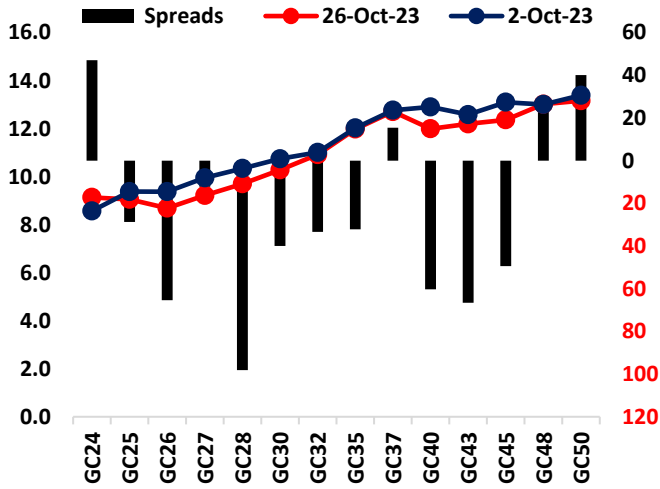
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			2-Oct-23	25-Oct-23	26-Oct-23	(bps)	26-Oct-23
GC24	10.5	Tuesday, October 15, 2024	8.57	9.11	9.13	2.00	101.23
GC25	8.5	Tuesday, April 15, 2025	9.37	9.09	9.05	-3.00	99.25
GC26	8.5	Wednesday, April 15, 2026	9.37	8.82	8.69	-13.00	99.59
GC27	8	Friday, January 15, 2027	9.95	9.32	9.22	-11.00	96.65
GC28	8.5	Sunday, October 15, 2028	10.34	9.79	9.70	-9.00	95.35
GC30	8	Tuesday, January 15, 2030	10.74	10.40	10.28	-12.00	89.69
GC32	9	Thursday, April 15, 2032	11.01	10.88	10.92	-3.00	89.58
GC35	9.5	Sunday, July 15, 2035	12.03	11.98	11.98	0.00	84.57
GC37	9.5	Wednesday, July 15, 2037	12.76	12.68	12.71	3.00	79.37
GC40	9.8	Monday, October 15, 2040	12.90	11.64	11.99	-36.00	84.24
GC43	10	Wednesday, July 15, 2043	12.58	12.20	12.19	-1.00	83.71
GC45	9.85	Saturday, July 15, 2045	13.10	12.36	12.37	-1.00	81.12
GC48	10	Thursday, October 15, 2048	13.00	12.99	13.01	2.00	78.29
GC50	10.25	Friday, July 15, 2050	13.39	13.16	13.16	0.00	78.5757

Source: BoN & HEI Research

Important disclosure:

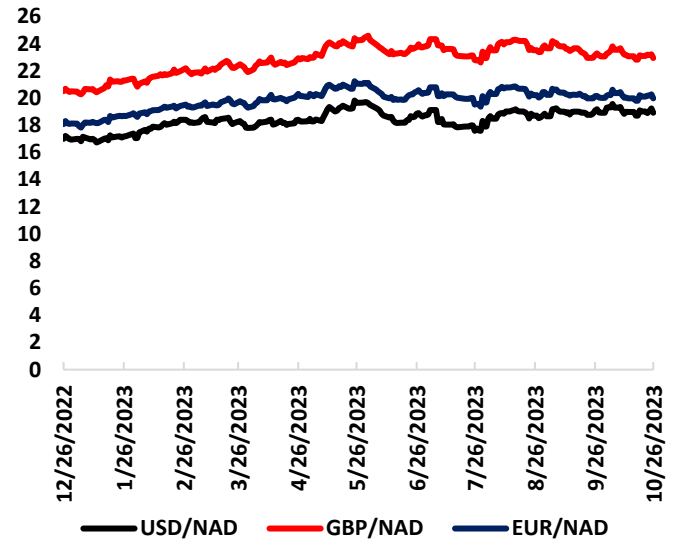
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 26-October-2023



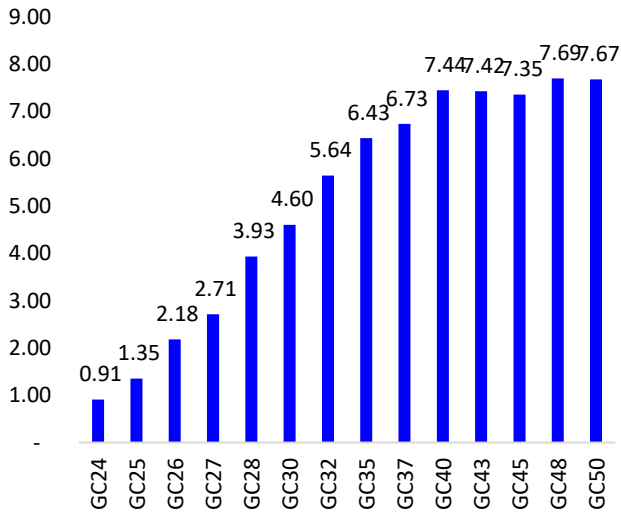
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 26-October-2023



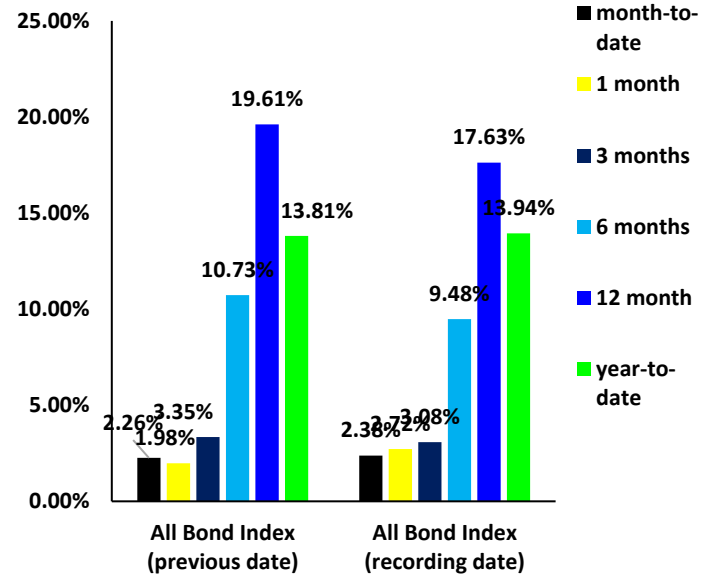
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 26-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 26-October-2023



Source: HEI Research

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