



Daily Fixed Income Report (27 October 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the US dollar weakened against the Namibian dollar by 0.4%, closing at N\$18.83, while the Euro decreased by 0.50% at N\$19.88. Furthermore, the British pound traded lower against the Namibian dollar by 0.57% trading at N\$22.81 (Figure 3)
- The yield of the GC2026 bond declined by 5.00 bps from 8.69% to 8.64%. The GC2048 bond experienced a decline in yield by 4.00 bps from 13.01% to 12.98%
- The Namibian bond yield curve continues to decline as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds remained slightly unhinged
- Based on the analysis depicted in Figure 4, total bond returns increased on average by 0.29%
- Table 1 displayed no changes in fixed-term deposit rates,

Table 1: Fixed Term Deposits

Term	26-Oct-23	27-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

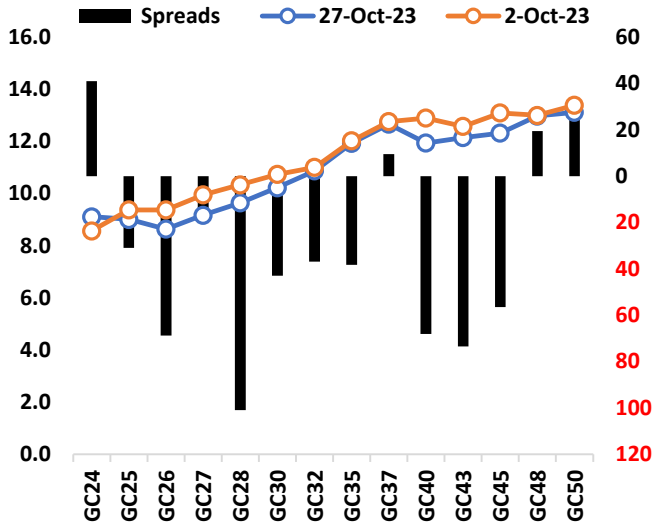
Bonds	Coupon	Maturity	YTM (%)			DTDA (bps)	Prices 27-Oct-23
			2-Oct-23	26-Oct-23	27-Oct-23		
GC24	10.5	Tuesday, October 15, 2024	8.57	9.13	9.11	-2.00	101.25
GC25	8.5	Tuesday, April 15, 2025	9.37	9.05	9.02	-4.00	99.30
GC26	8.5	Wednesday, April 15, 2026	9.37	8.69	8.64	-5.00	99.69
GC27	8	Friday, January 15, 2027	9.95	9.22	9.17	-5.00	96.78
GC28	8.5	Sunday, October 15, 2028	10.34	9.70	9.64	-5.00	95.56
GC30	8	Tuesday, January 15, 2030	10.74	10.28	10.23	-5.00	89.92
GC32	9	Thursday, April 15, 2032	11.01	10.92	10.87	-4.00	89.81
GC35	9.5	Sunday, July 15, 2035	12.03	11.98	11.94	-4.00	84.79
GC37	9.5	Wednesday, July 15, 2037	12.76	12.71	12.66	-4.00	79.61
GC40	9.8	Monday, October 15, 2040	12.90	11.99	11.94	-5.00	84.58
GC43	10	Wednesday, July 15, 2043	12.58	12.19	12.15	-4.00	84.00
GC45	9.85	Saturday, July 15, 2045	13.10	12.37	12.32	-5.00	81.41
GC48	10	Thursday, October 15, 2048	13.00	13.01	12.98	-4.00	78.50
GC50	10.25	Friday, July 15, 2050	13.39	13.16	13.12	-4.00	78.8071

Source: BoN & HEI Research

Important disclosure:

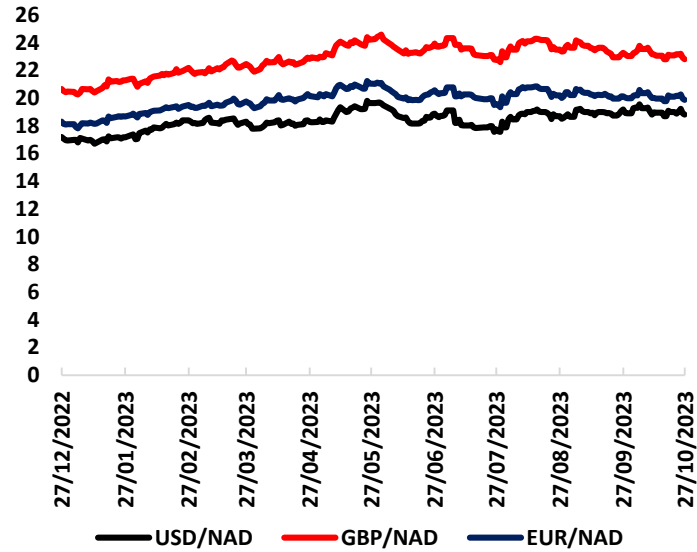
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Figure 1. Namibia Bond Yield: 02-October-2023 vs. 27-October-2023



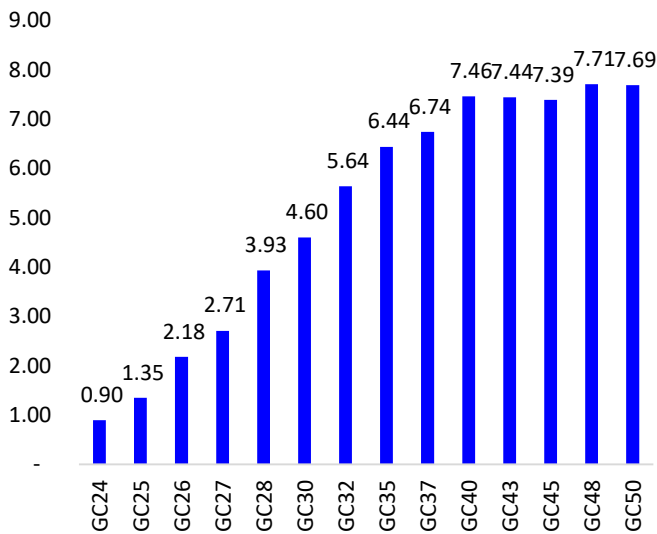
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 27-October-2023



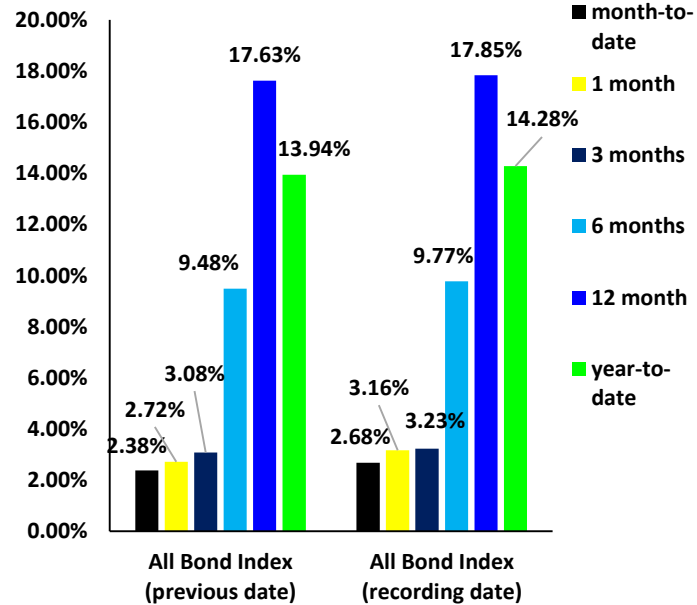
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 27-October-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 27-October-2023



Source: HEI Research

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