



Daily Fixed Income Report (29 September 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Friday, the US dollar was trading at 0.2% lower against the Namibian dollar at N\$18.91 while the Euro marginally declined by 0.20% at N\$20.01. Furthermore, the British pound traded slightly weaker against the Namibian dollar by 0.43% trading at N\$23.06 (Figure 3)

- The yield of the GC2026 bond declined by 8.90 bps from 9.40% to 9.31%. The GC2048 bond also experienced a deterioration in yields by 12.81 bps from 13.07% to 12.94%. (Table 2)
- The Namibian bond spreads continue to widen as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds remained unchanged
- Based on the analysis depicted in Figure 4, total bond returns slightly increased on average by 1.40%
- Table 1 indicated no change in the fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	28-Sep-23	29-Sep-23
1 Month	7.49	7.49
2 Months	7.56	7.56
3 Months	7.58	7.58
4 Months	7.69	7.69
5 Months	7.75	7.75
6 Months	8.10	8.10
7 Months	8.15	8.15
8 Months	8.20	8.20
9 Months	8.21	8.21
10 Months	8.38	8.38
11 Months	8.44	8.44
12 Months	8.50	8.50

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

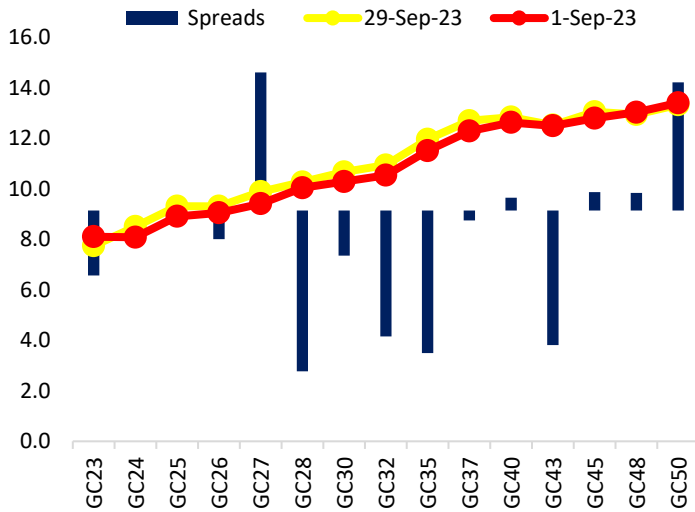
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Sep-23	28-Sep-23	29-Sep-23	(bps)	29-Sep-23
GC23	8.85	15-Oct-23	8.10	7.91	7.74	-16.47	100.0335
GC24	10.5	15-Oct-24	8.08	8.59	8.50	-8.90	101.9439
GC25	8.5	15-Apr-25	8.91	9.40	9.31	-8.90	98.8531
GC26	8.5	15-Apr-26	9.05	9.40	9.31	-8.90	98.2002
GC27	8	15-Jan-27	9.41	9.97	9.89	-8.90	94.7859
GC28	8.5	15-Oct-28	10.04	10.36	10.27	-8.95	93.1663
GC30	8	15-Jan-30	10.29	10.76	10.67	-8.95	87.9686
GC32	9	15-Apr-32	10.54	11.05	10.94	-11.22	89.4045
GC35	9.5	15-Jul-35	11.51	12.05	11.96	-9.20	84.6213
GC37	9.5	15-Jul-37	12.28	12.80	12.70	-10.70	79.4028
GC40	9.8	15-Oct-40	12.63	12.94	12.84	-10.70	79.1697
GC43	10	15-Jul-43	12.49	12.71	12.52	-19.14	81.6480
GC45	9.85	15-Jul-45	12.80	13.24	13.05	-19.32	76.9948
GC48	10	15-Oct-48	13.03	13.07	12.94	-12.81	78.6988
GC50	10.25	15-Jul-50	13.40	13.45	13.33	-12.81	77.6019

Source: BoN & HEI Research

Important disclosure:

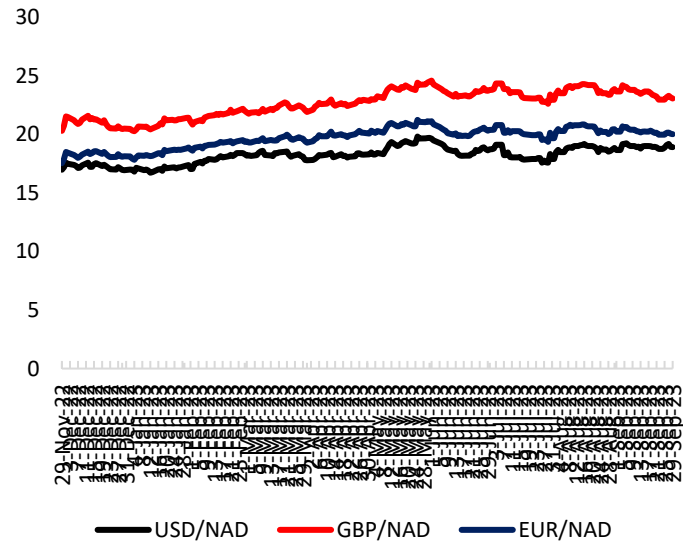
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Figure 1. Namibia Bond Yield: 01-September-2023 vs. 29-September-2023



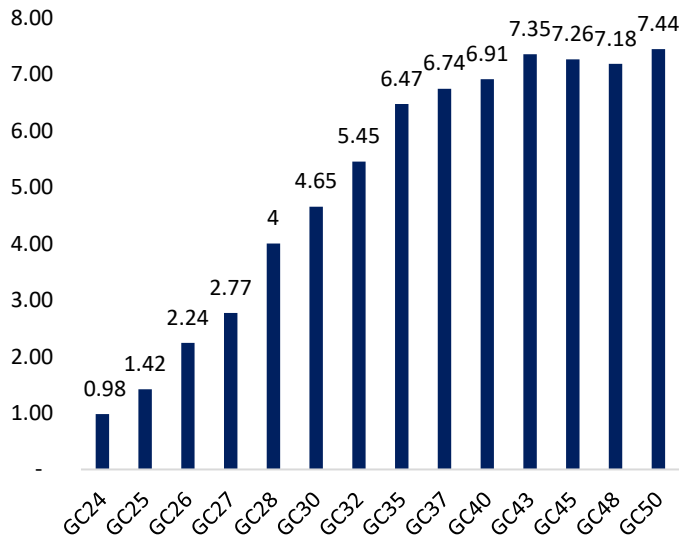
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 29-September-2023



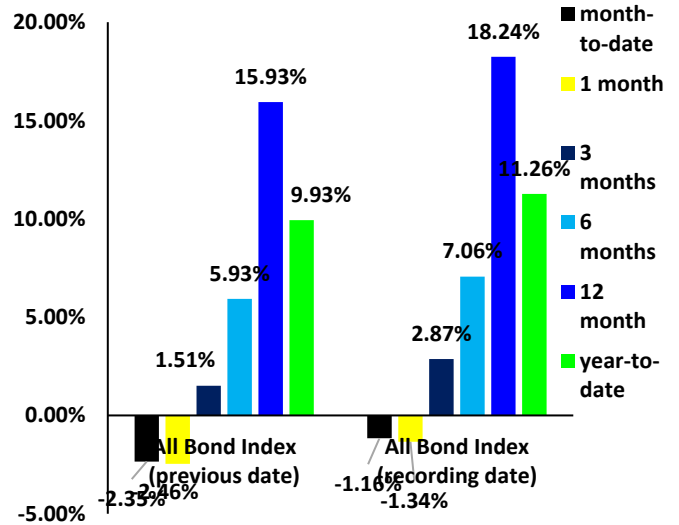
Source: Investing.com & HEI Research

Figure 2. Modified duration 29-September-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns as of 29-September-2023 (%)



Source: HEI Research

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