

Daily Fixed Income Report (08 November 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Wednesday, the US dollar strengthened against the Namibian dollar by 0.5%, closing at N\$18.47, while the Euro increased by 0.71% at N\$19.77. Furthermore, the British pound traded higher against the Namibian dollar by 0.58% trading at N\$22.69(Figure 3)
- The yield of the GC2026 bond decreased by 6.00 bps from 8.76% to 8.70%. The GC2048 bond experienced a decline in yield by 7.63 bps from 12.47% to 12.39%
- The Namibian bond yield curve is slowly starting to pick up 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 increased on average by 0.27%
- Table 1 displayed a slight uptick in fixed-term deposit rates

Table 1: Fixed Term Deposits

Term	7-Nov-23	8-Nov-23
1 Month	7.58	7.58
2 Months	7.57	7.64
3 Months	7.66	7.68
4 Months	7.75	7.76
5 Months	7.80	7.81
6 Months	8.13	8.13
7 Months	8.16	8.16
8 Months	8.22	8.23
9 Months	8.28	8.29
10 Months	8.37	8.37
11 Months	8.41	8.41
12 Months	8.48	8.48

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

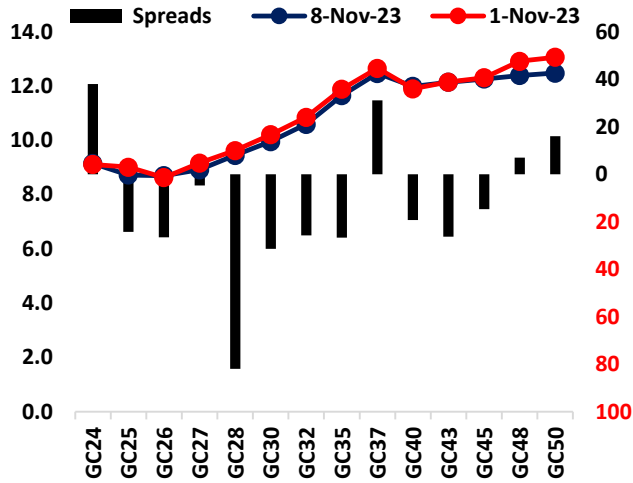
Bonds	Coupon	Maturity	YTM (%)	YTM (%)	YTM (%)	DTDA	Prices
			1-Nov-23	7-Nov-23	8-Nov-23	(bps)	8-Nov-23
GC24	10.5	Tuesday, October 15, 2024	9.12	9.15	9.15	-0.02	101.17
GC25	8.5	Tuesday, April 15, 2025	9.02	8.78	8.73	-5.12	99.69
GC26	8.5	Wednesday, April 15, 2026	8.63	8.76	8.70	-6.00	99.55
GC27	8	Friday, January 15, 2027	9.17	8.97	8.92	-5.13	97.47
GC28	8.5	Sunday, October 15, 2028	9.63	9.45	9.45	-0.20	96.31
GC30	8	Tuesday, January 15, 2030	10.21	10.02	9.96	-6.75	91.11
GC32	9	Thursday, April 15, 2032	10.86	10.64	10.59	-5.20	91.25
GC35	9.5	Sunday, July 15, 2035	11.89	11.70	11.66	-4.30	86.39
GC37	9.5	Wednesday, July 15, 2037	12.66	12.24	12.47	22.72	80.69
GC40	9.8	Monday, October 15, 2040	11.90	12.06	11.99	-6.51	84.25
GC43	10	Wednesday, July 15, 2043	12.15	12.07	12.15	7.71	84.03
GC45	9.85	Saturday, July 15, 2045	12.31	12.34	12.26	-7.75	81.78
GC48	10	Thursday, October 15, 2048	12.92	12.47	12.39	-7.63	82.07
GC50	10.25	Friday, July 15, 2050	13.07	12.56	12.49	-7.63	82.7687

Source: BoN & HEI Research

Important disclosure:

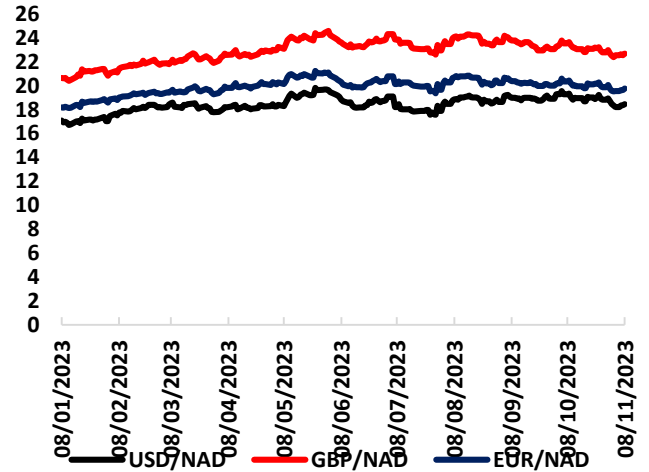
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Figure 1. Namibia Bond Yield: 01-November-2023 vs. 08-November-2023



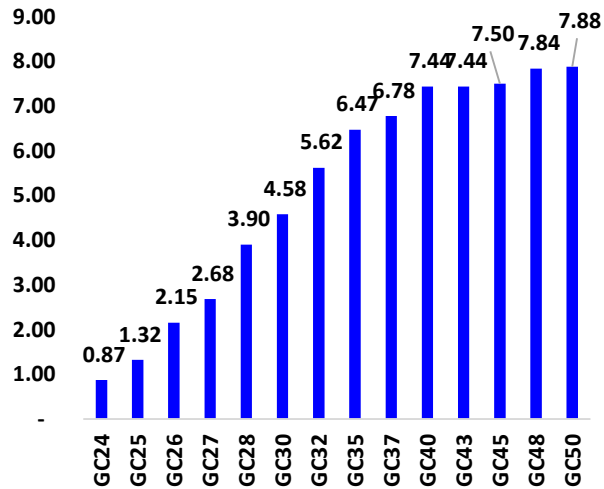
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 08-November-2023



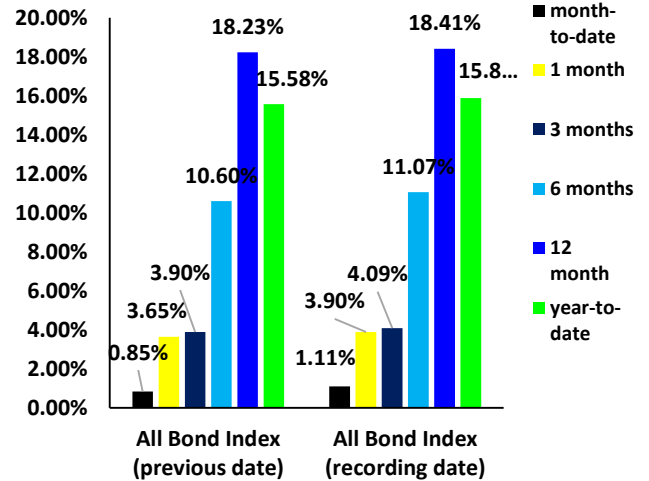
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 08-November-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 08-November-2023



Source: HEI Research

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