



Daily Fixed Income Report (15 November 2023)

HEI FIXED INCOME MARKET COMMENTARY

- On Wednesday, the US dollar strengthened against the Namibian dollar by 0.2%, closing at N\$18.26, while the Euro decreased by 0.15% at N\$2019.79. Furthermore, the British pound traded higher against the Namibian dollar by 0.57% trading at N\$22.63(Figure 3)
- The yields of the GC2026 bonds declined by 0.75bps from at 8.75% to 8.75%. Furthermore the GC2048 bond yield rose by 1.50bps from 12.19% to 12.20%
- The Namibian bond yield curve is declined as illustrated in Figure 1
- In Figure 2, the Modified duration of bonds decreased during the recording period
- Based on the analysis depicted in Figure 4, total bond returns decreased on average by 0.46%
- Table 1 displayed no changes in fixed-term deposit rates

Table 1: Fixed Term Deposits

| Term | 14-Nov-23 | 15-Nov-23 |
|-----------|-----------|-----------|
| 1 Month | 7.58 | 7.58 |
| 2 Months | 7.64 | 7.64 |
| 3 Months | 7.68 | 7.68 |
| 4 Months | 7.76 | 7.76 |
| 5 Months | 7.81 | 7.81 |
| 6 Months | 8.13 | 8.13 |
| 7 Months | 8.16 | 8.16 |
| 8 Months | 8.23 | 8.23 |
| 9 Months | 8.29 | 8.29 |
| 10 Months | 8.38 | 8.38 |
| 11 Months | 8.42 | 8.42 |
| 12 Months | 8.51 | 8.51 |

Source: BoN & HEI Research

Table 2. Namibia Government Bonds

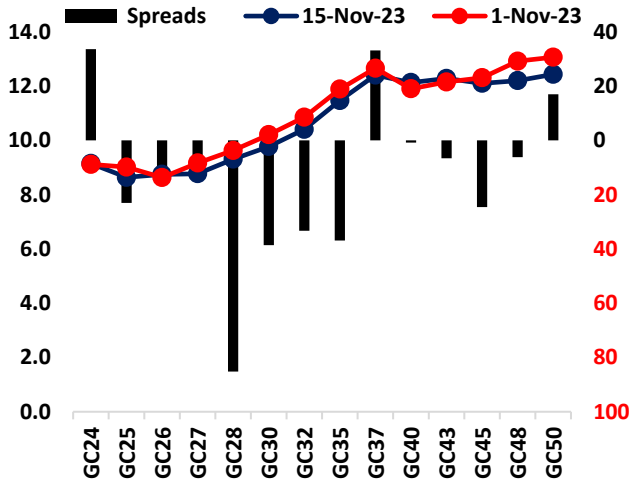
| Bonds | Coupon | Maturity | YTM (%) | YTM (%) | YTM (%) | DTDA (bps) | Prices 15-Nov-23 |
|-------|--------|----------------------------|----------|-----------|-----------|---------------|---------------------|
| | | | 1-Nov-23 | 14-Nov-23 | 15-Nov-23 | | |
| GC24 | 10.5 | Tuesday, October 15, 2024 | 9.12 | 9.15 | 9.15 | 0.18 | 101.14 |
| GC25 | 8.5 | Tuesday, April 15, 2025 | 9.02 | 8.65 | 8.64 | -0.75 | 99.80 |
| GC26 | 8.5 | Wednesday, April 15, 2026 | 8.63 | 8.75 | 8.75 | -0.75 | 99.46 |
| GC27 | 8 | Friday, January 15, 2027 | 9.17 | 8.78 | 8.77 | -1.00 | 97.89 |
| GC28 | 8.5 | Sunday, October 15, 2028 | 9.63 | 9.31 | 9.31 | -0.50 | 96.86 |
| GC30 | 8 | Tuesday, January 15, 2030 | 10.21 | 9.78 | 9.77 | -0.50 | 91.91 |
| GC32 | 9 | Thursday, April 15, 2032 | 10.86 | 10.41 | 10.41 | -0.50 | 92.22 |
| GC35 | 9.5 | Sunday, July 15, 2035 | 11.89 | 11.48 | 11.47 | -0.60 | 87.47 |
| GC37 | 9.5 | Wednesday, July 15, 2037 | 12.66 | 12.41 | 12.41 | -0.20 | 81.06 |
| GC40 | 9.8 | Monday, October 15, 2040 | 11.90 | 12.12 | 12.13 | 1.00 | 83.38 |
| GC43 | 10 | Wednesday, July 15, 2043 | 12.15 | 12.27 | 12.28 | 1.38 | 83.15 |
| GC45 | 9.85 | Saturday, July 15, 2045 | 12.31 | 12.09 | 12.10 | 1.38 | 82.80 |
| GC48 | 10 | Thursday, October 15, 2048 | 12.92 | 12.19 | 12.20 | 1.50 | 83.30 |
| GC50 | 10.25 | Friday, July 15, 2050 | 13.07 | 12.43 | 12.43 | 0.00 | 83.0998 |

Source: BoN & HEI Research

Important disclosure:

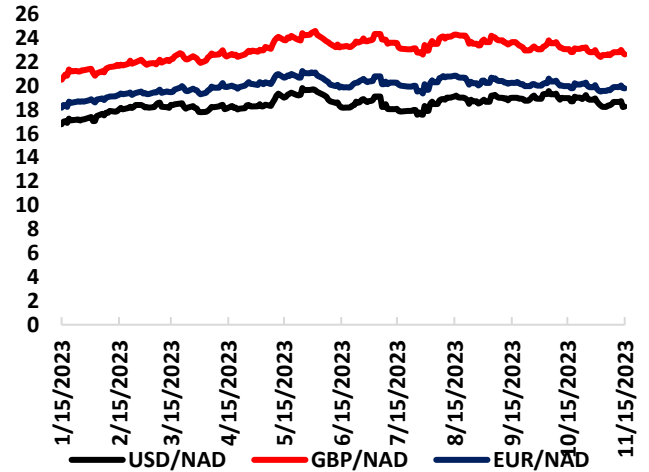
Readers should be aware that the opinions, estimates, and projections expressed in this report are based on current market conditions, publicly available information, and our analysis, and may change without notice. This report is not intended to be the sole basis for any investment decision, and investors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

Figure 1. Namibia Bond Yield: 01-November-2023 vs. 15-November-2023



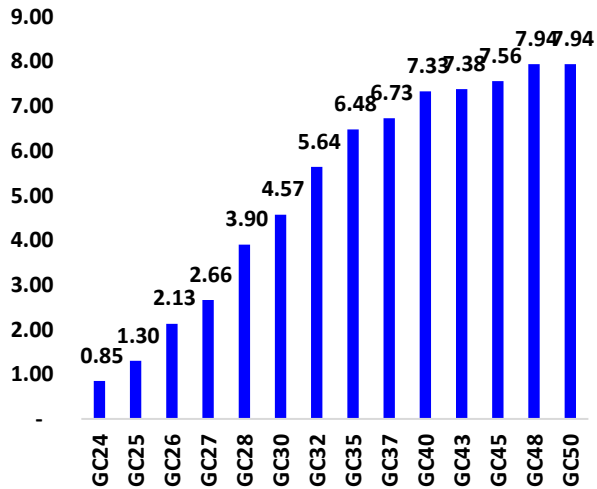
Source: BoN & HEI Research

Figure 3: Historic FX Trends till 15-November-2023



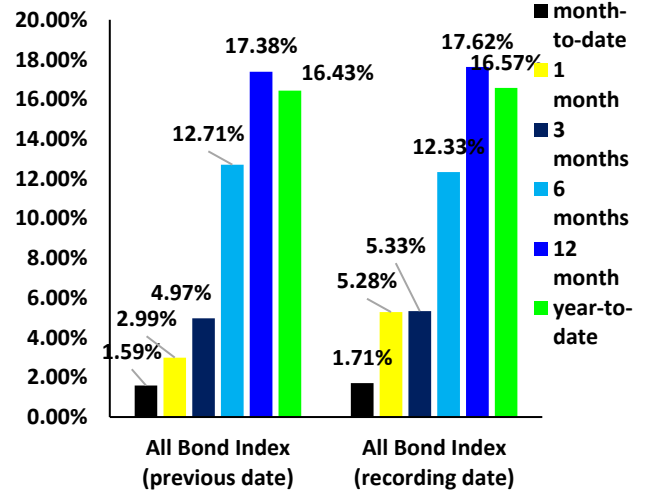
Source: Investing.com & HEI Research

Figure 2. Modified duration as of 15-November-2023



Source: BoN & HEI Research

Figure 4: Total Bond Returns (%) as of 15-November-2023



Source: 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.