



Macro Overview: Winter is coming?

August 2019



The Namibian Economy



2010 – 1H2015



The best way to predict the future is to create it.

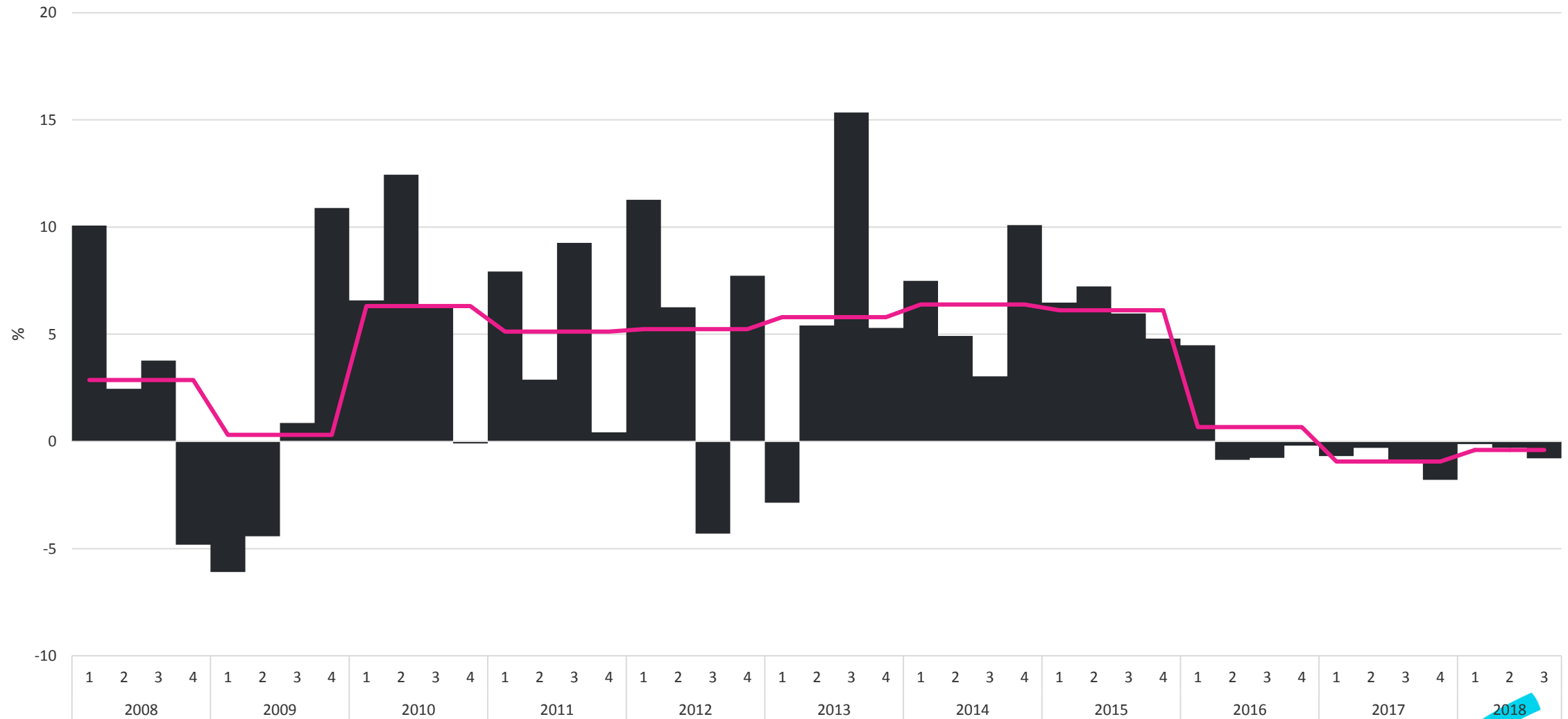


2H2015 - 2018

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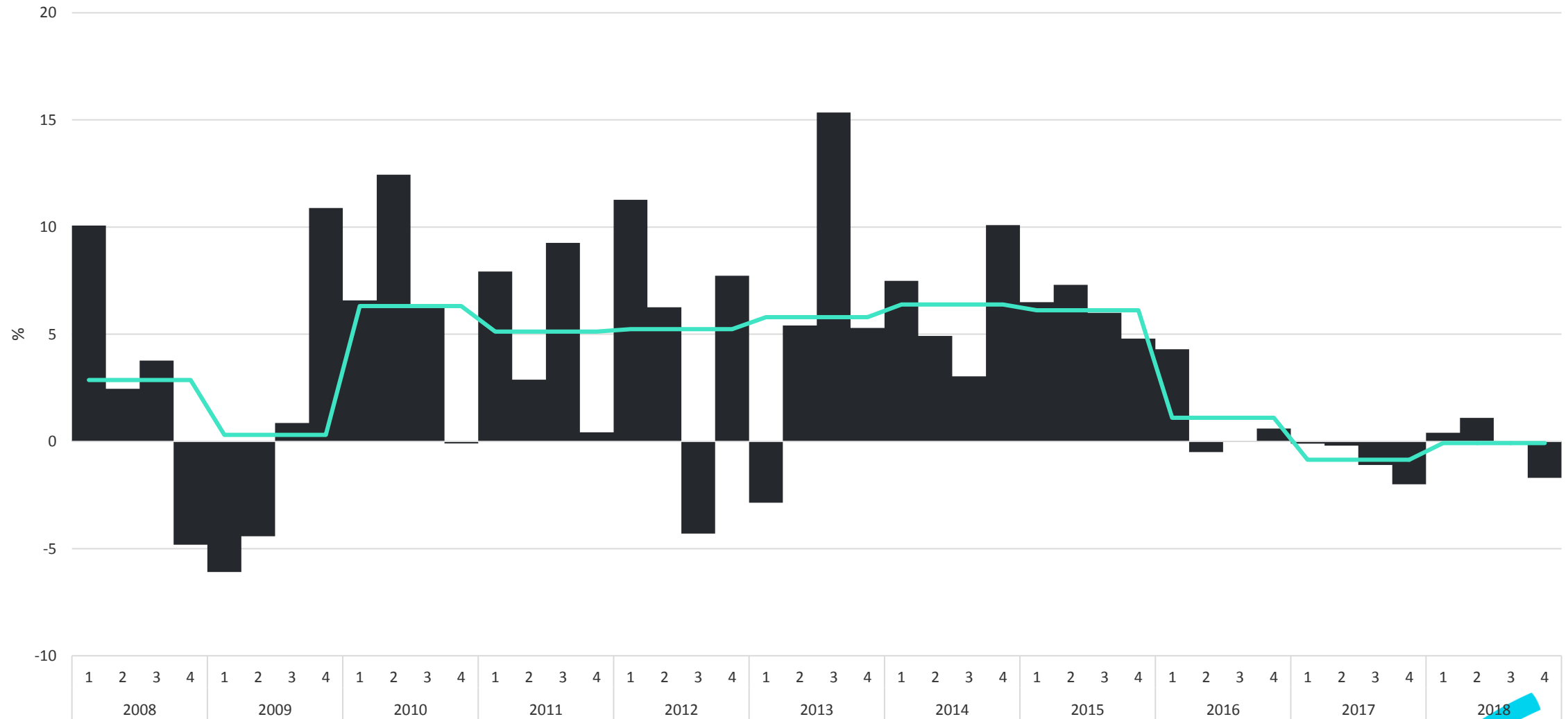
Real Quarterly Growth (Q3 2018 dataset)



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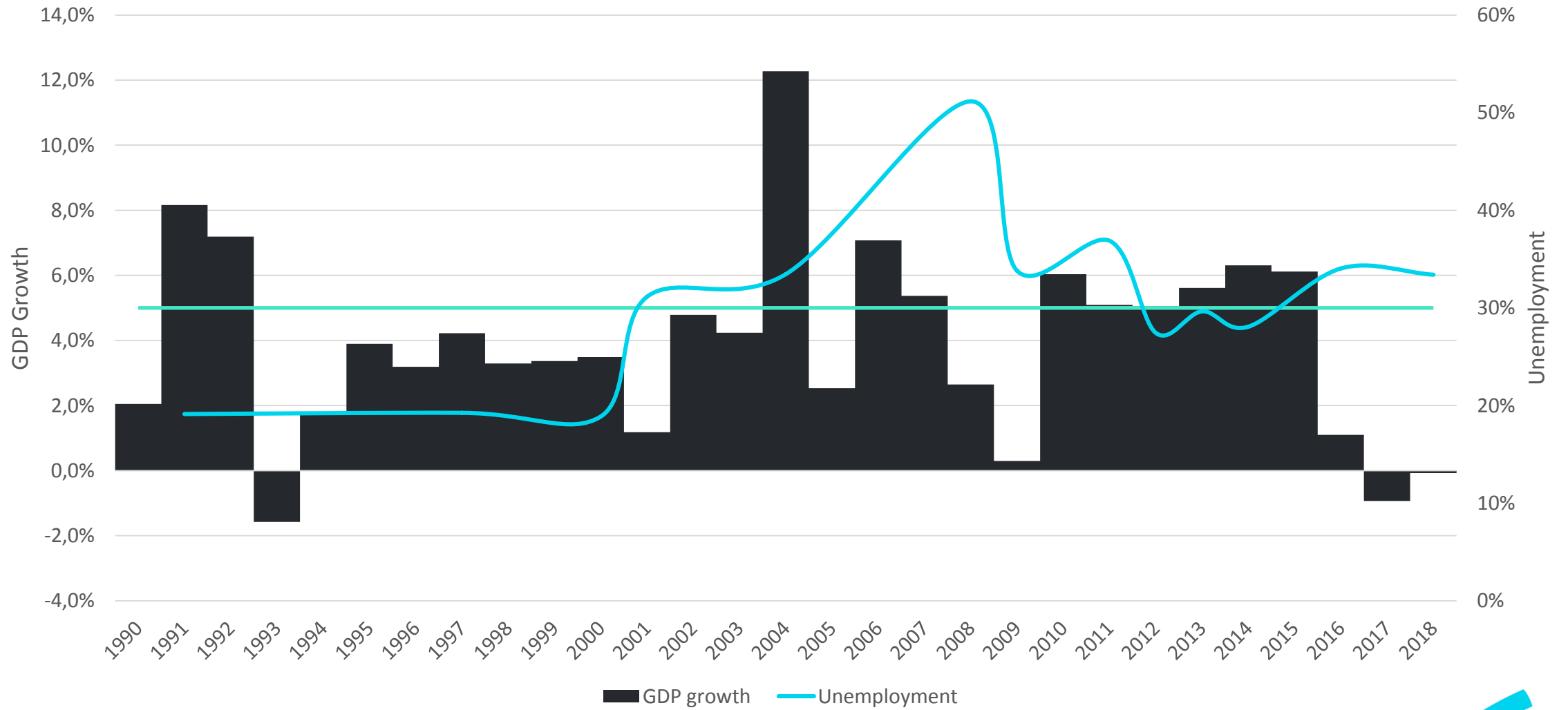
Real Quarterly Growth (Q4 2018 dataset)



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Growth and Unemployment



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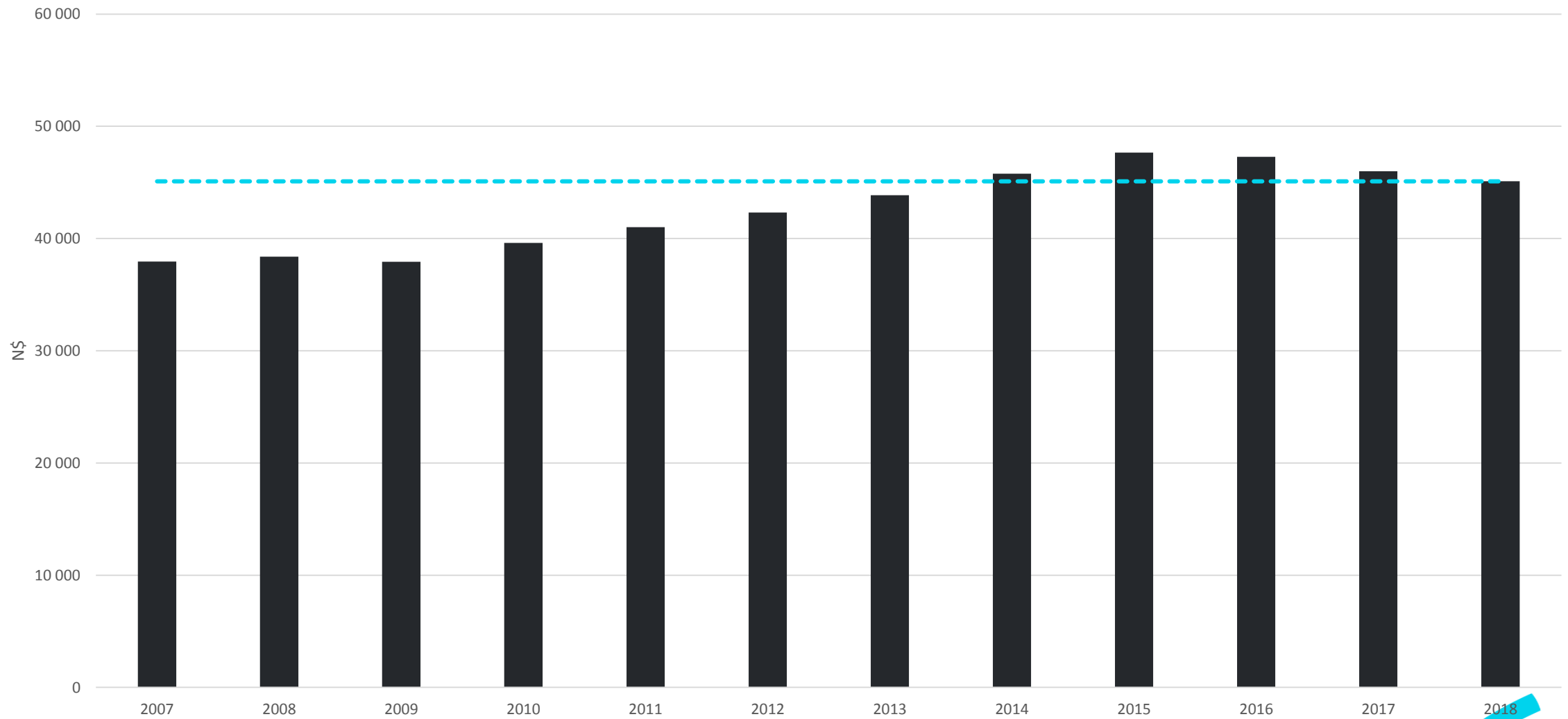


Households

(70% of GDP)



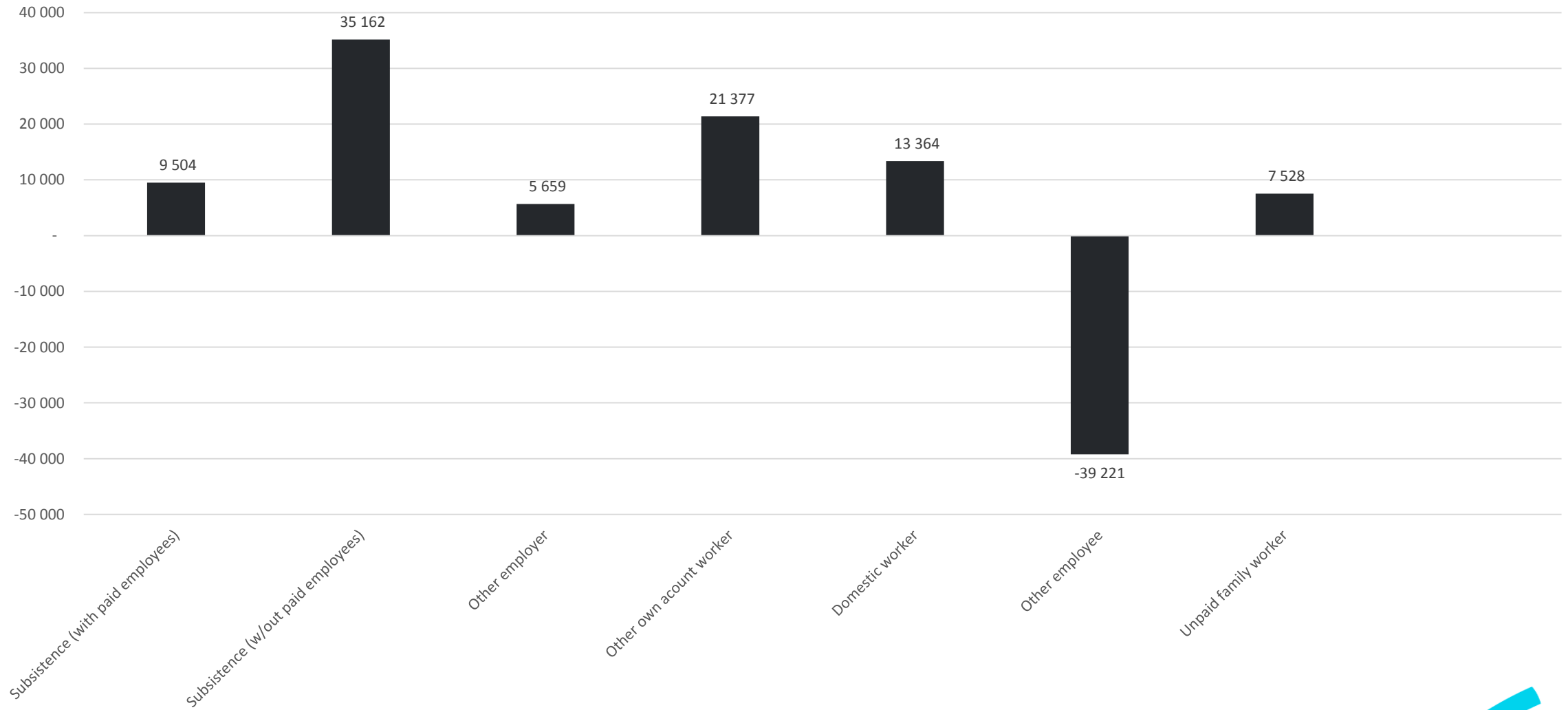
Real GDP per Capita



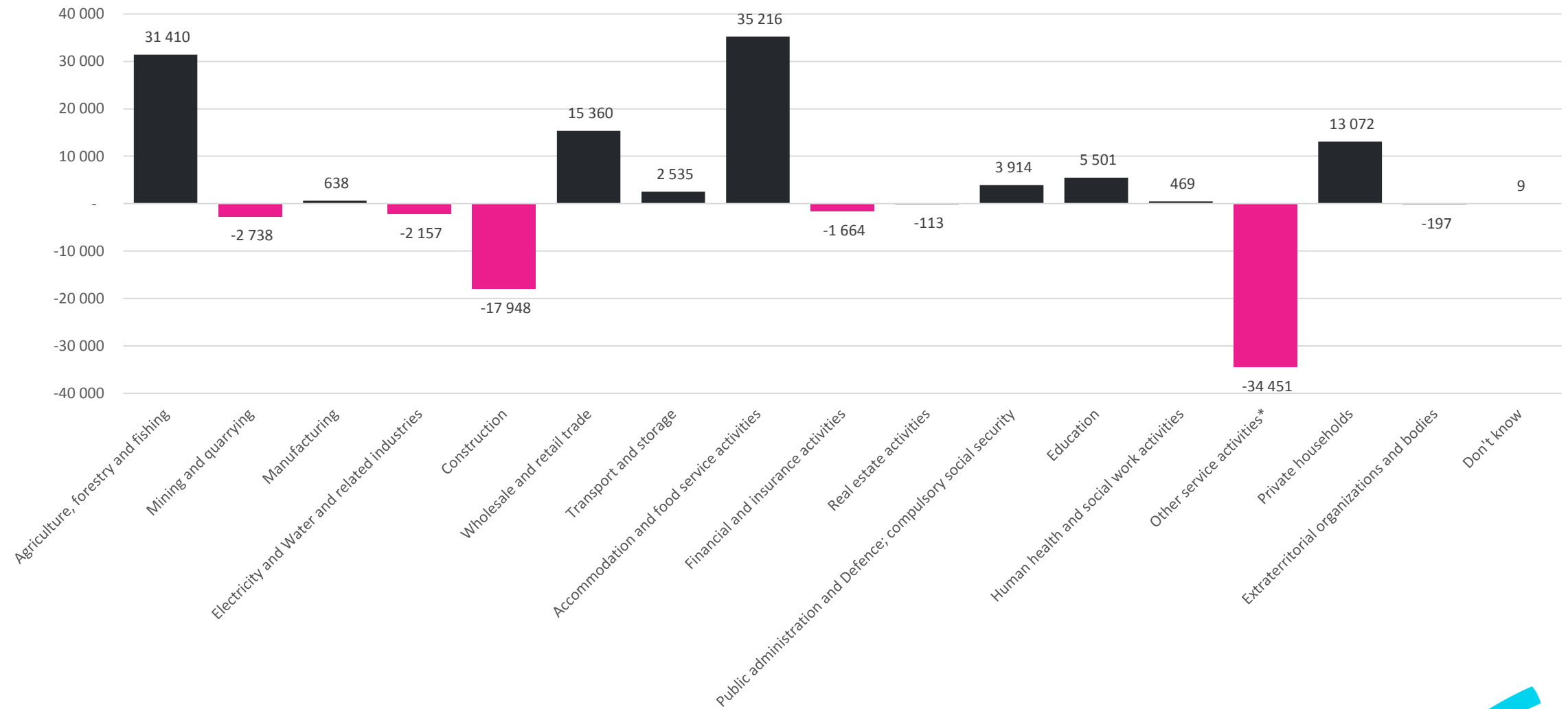
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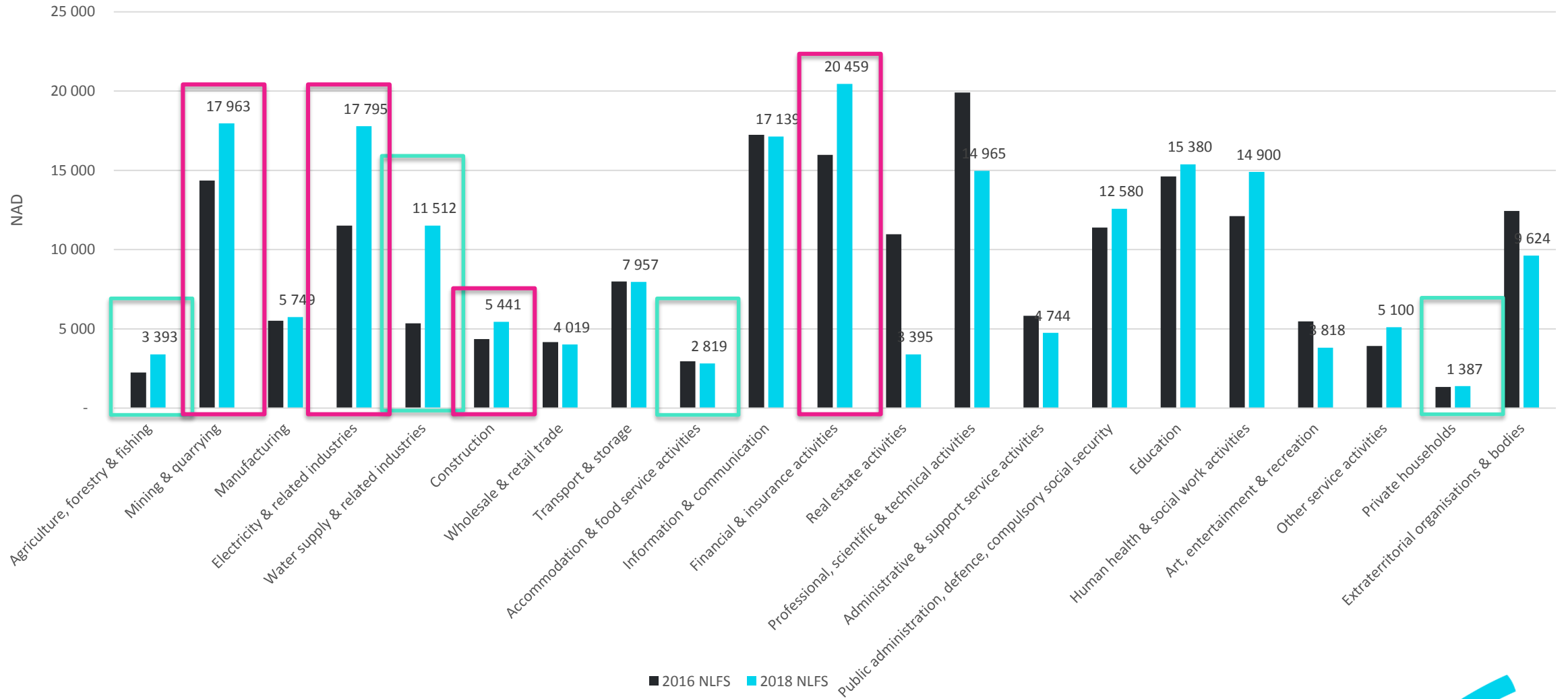
Change in Jobs by Status



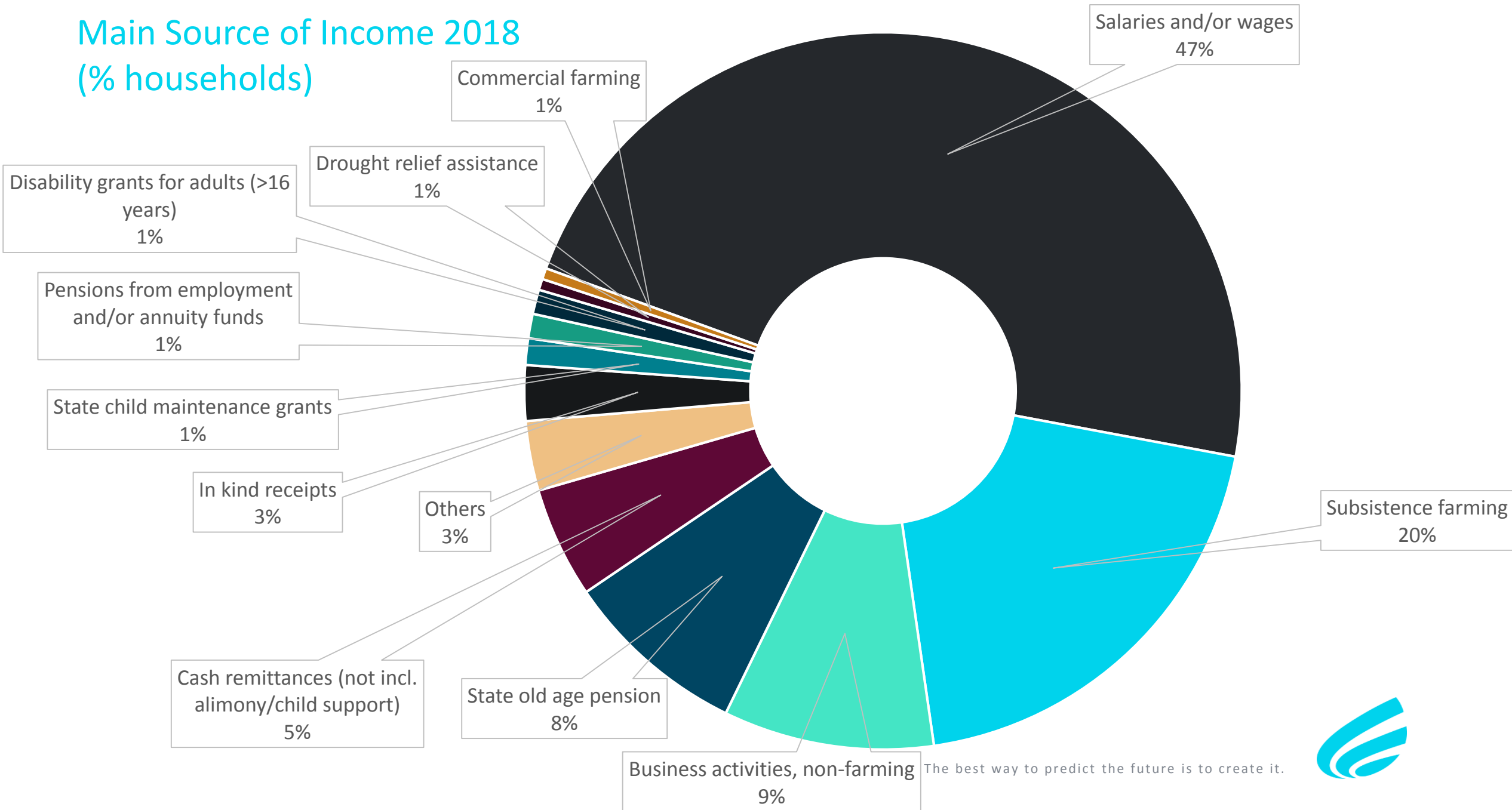
Jobs Created by Industry (2016-2018)



Average Wage by Industry



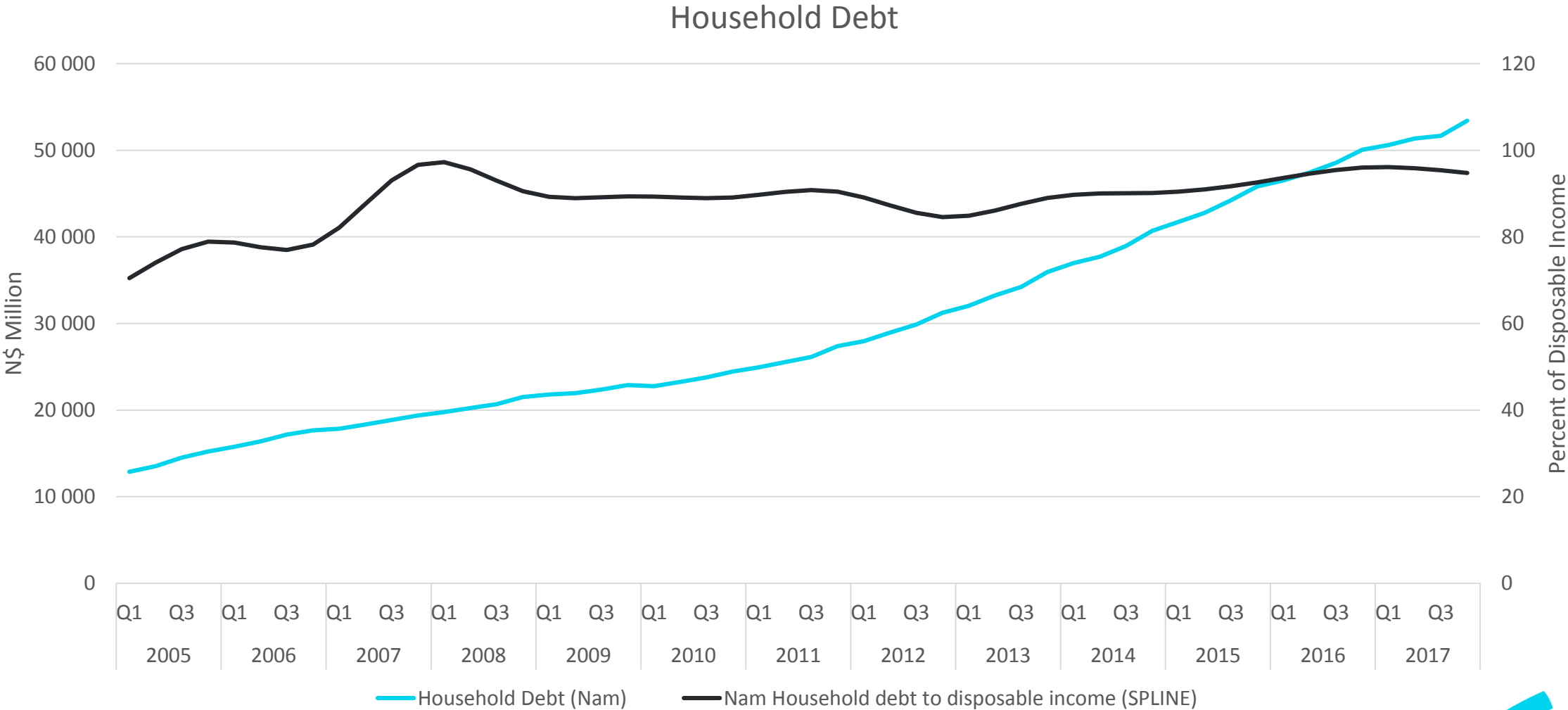
Main Source of Income 2018 (% households)



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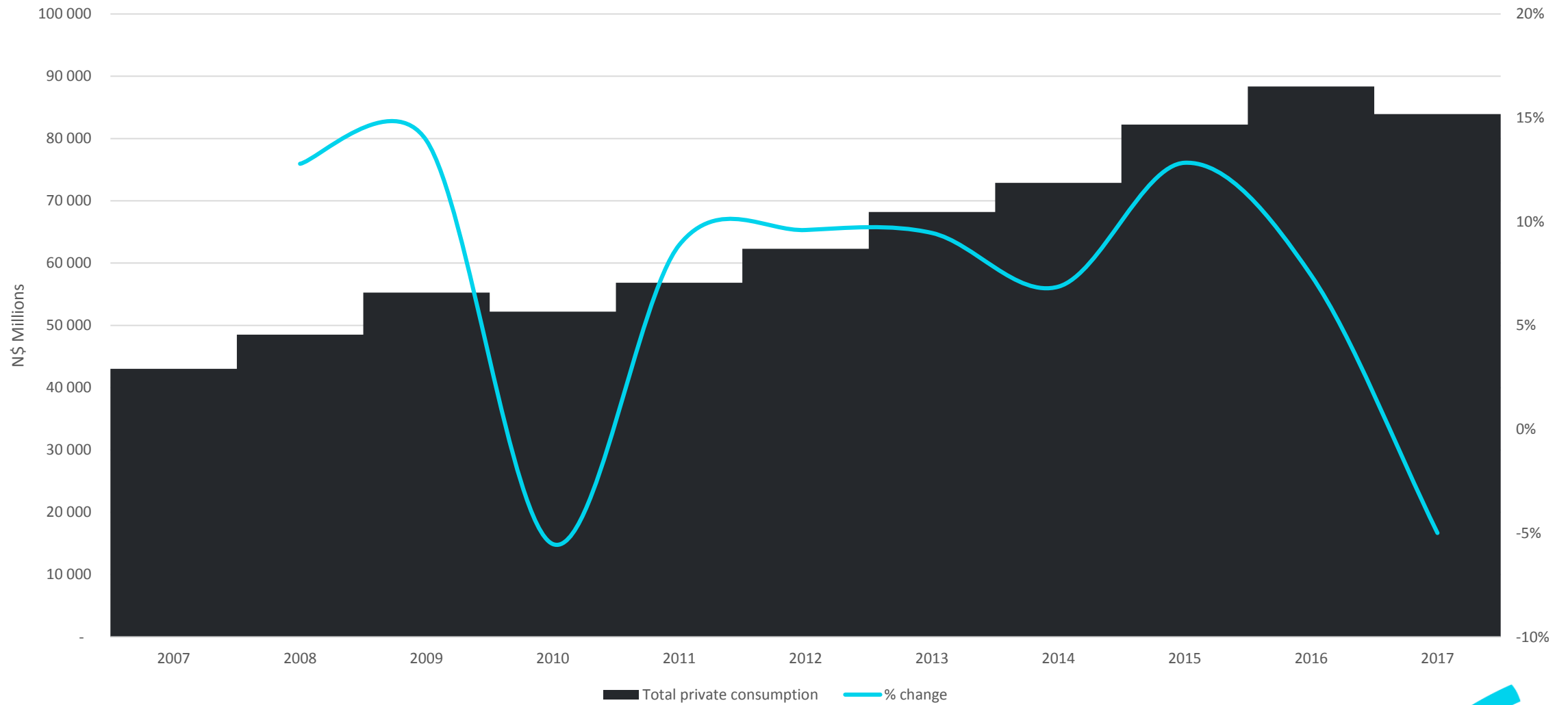
Household debt



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Private Consumption (constant prices)



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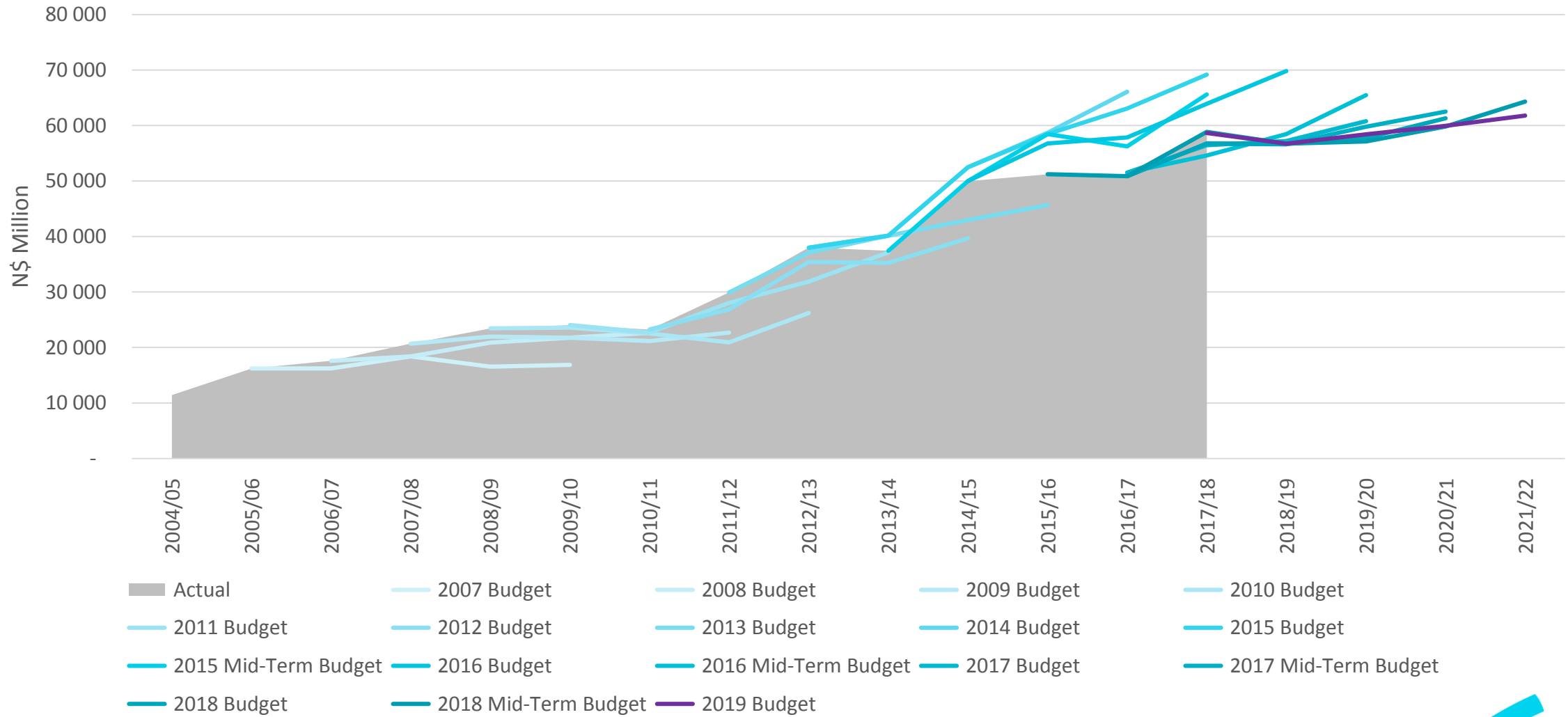


Government

(23.5% of GDP)



Revenue

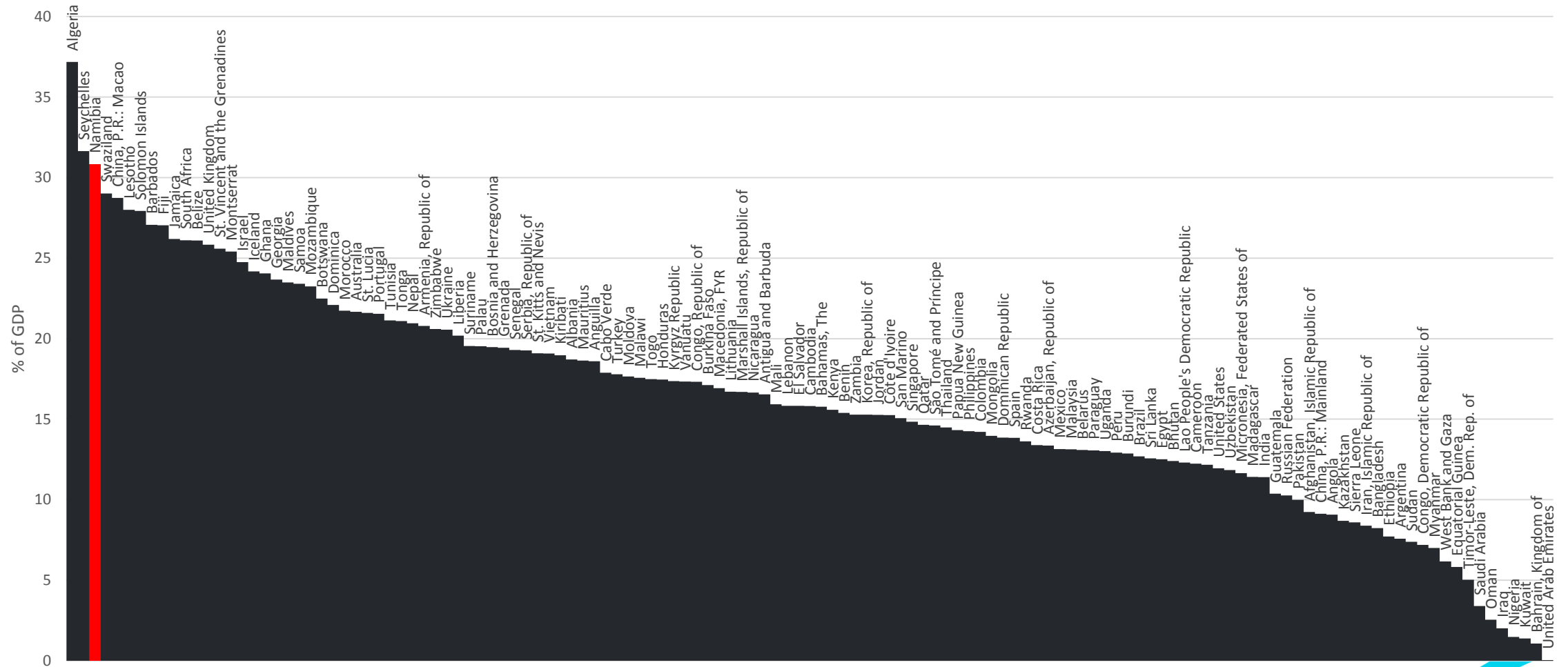


The best way to predict the future is to create it.

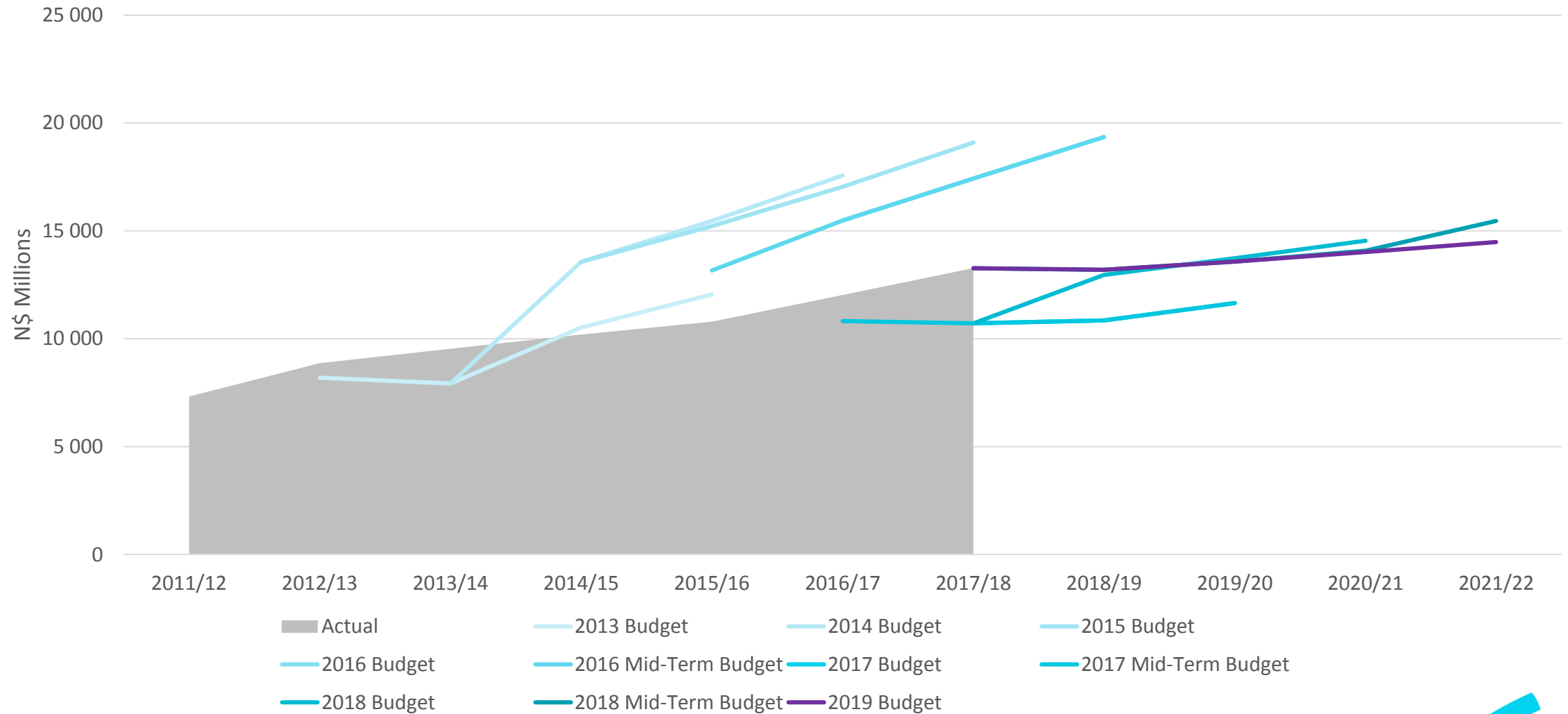


Revenue to GDP

Government Revenue



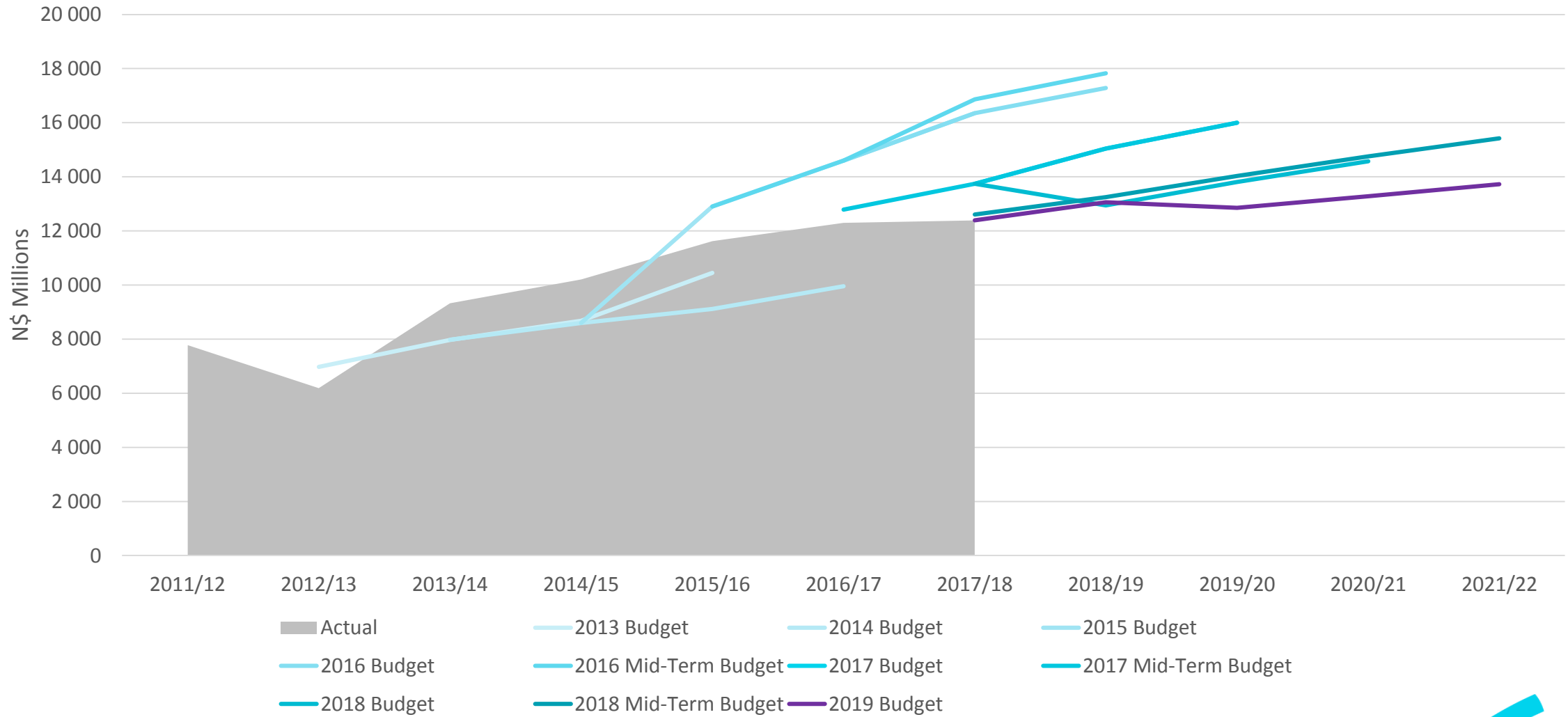
Personal Income Tax



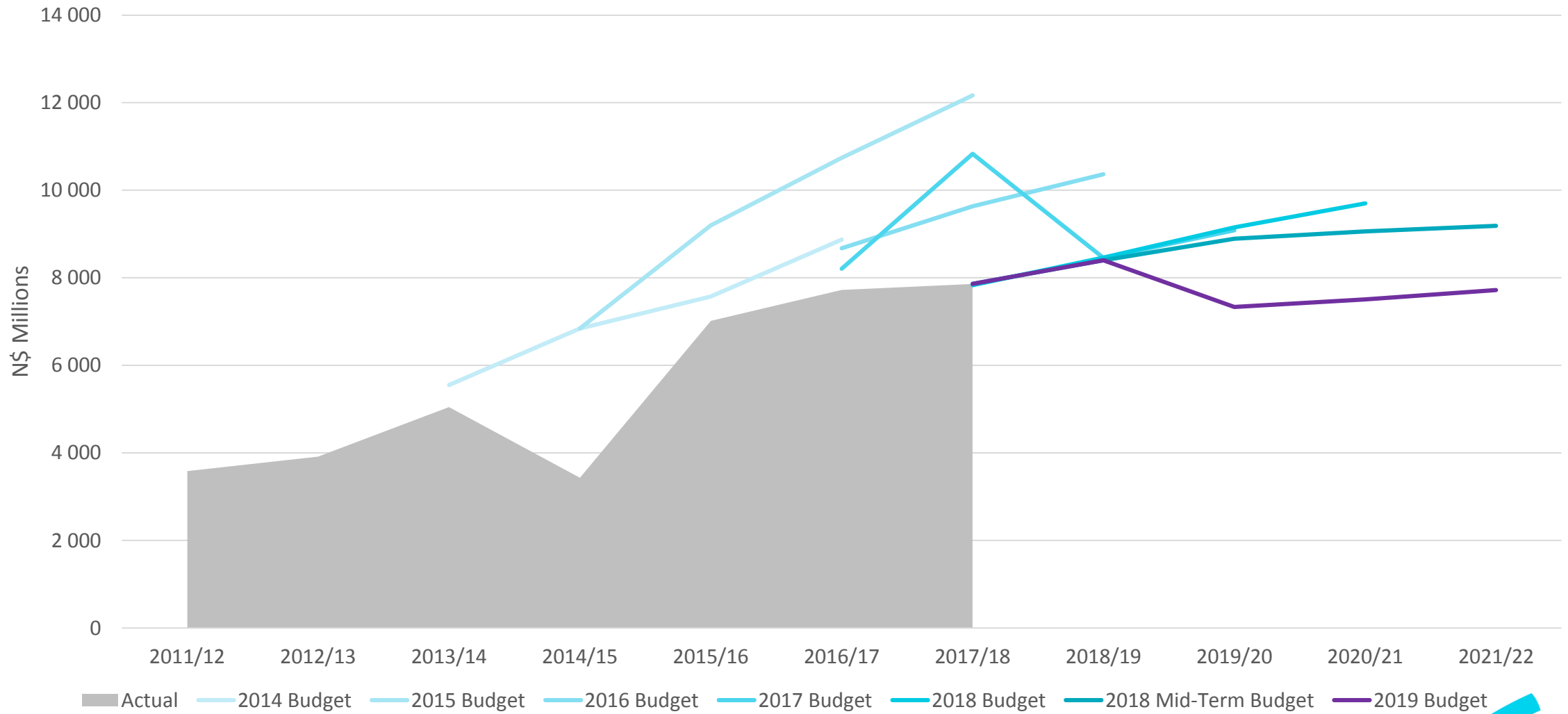
The best way to predict the future is to create it.



VAT



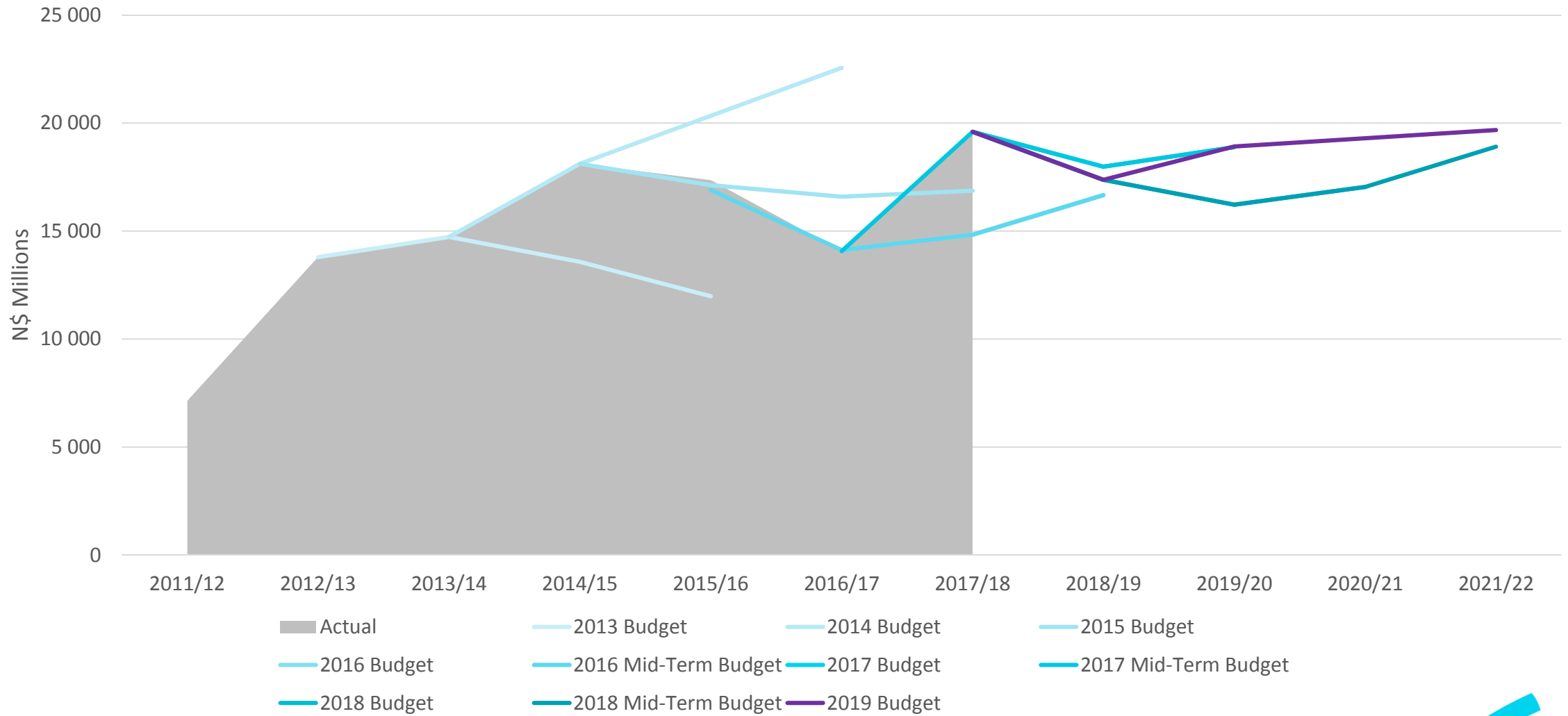
Company Tax



The best way to predict the future is to create it.



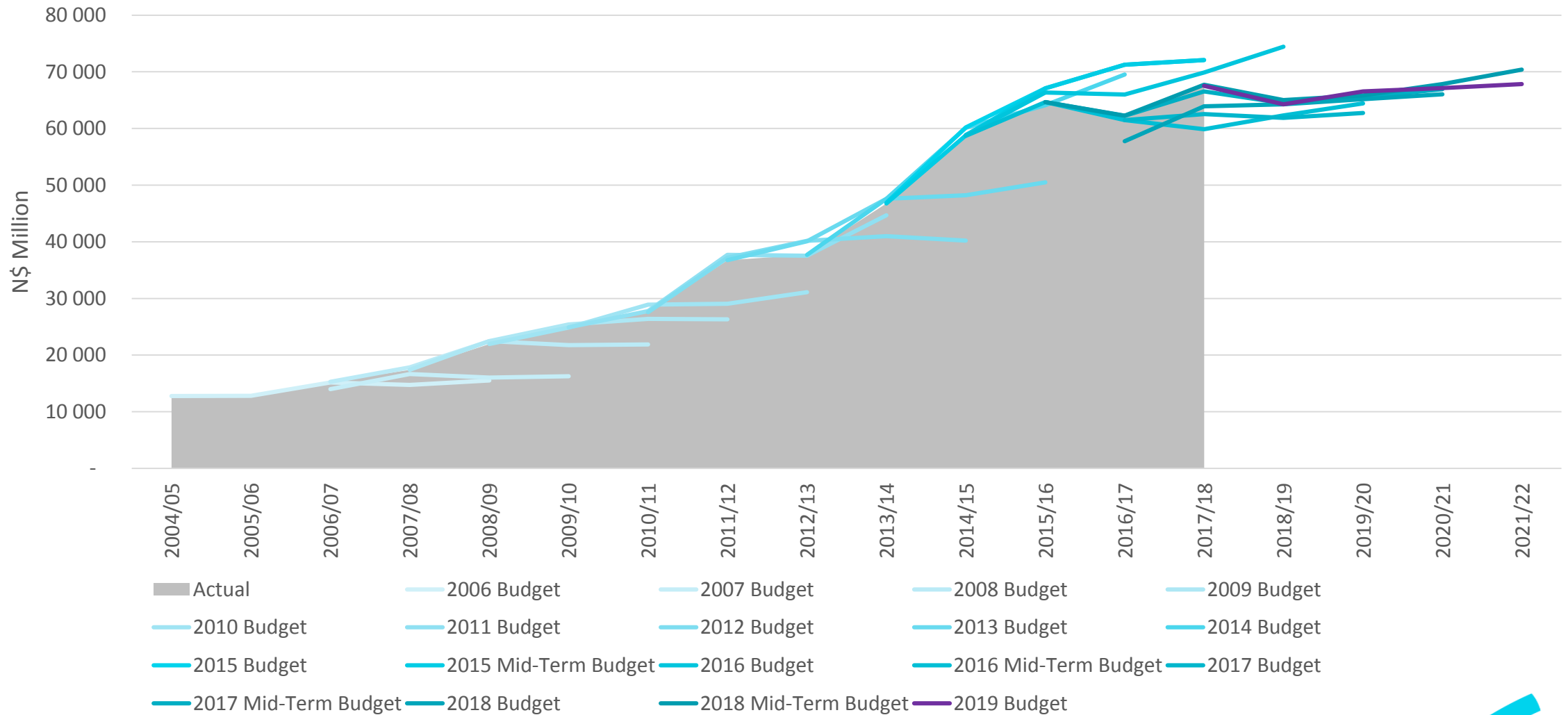
SACU



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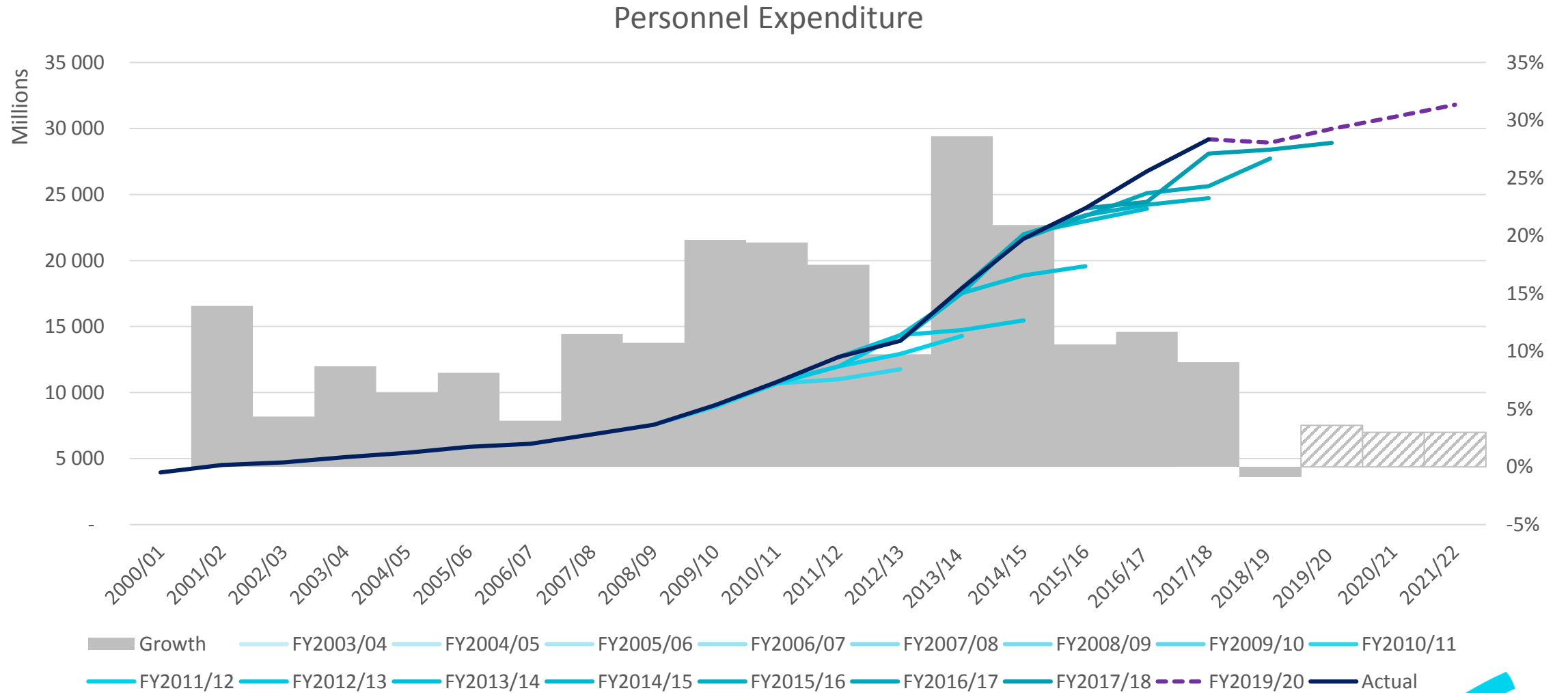
Expenditure



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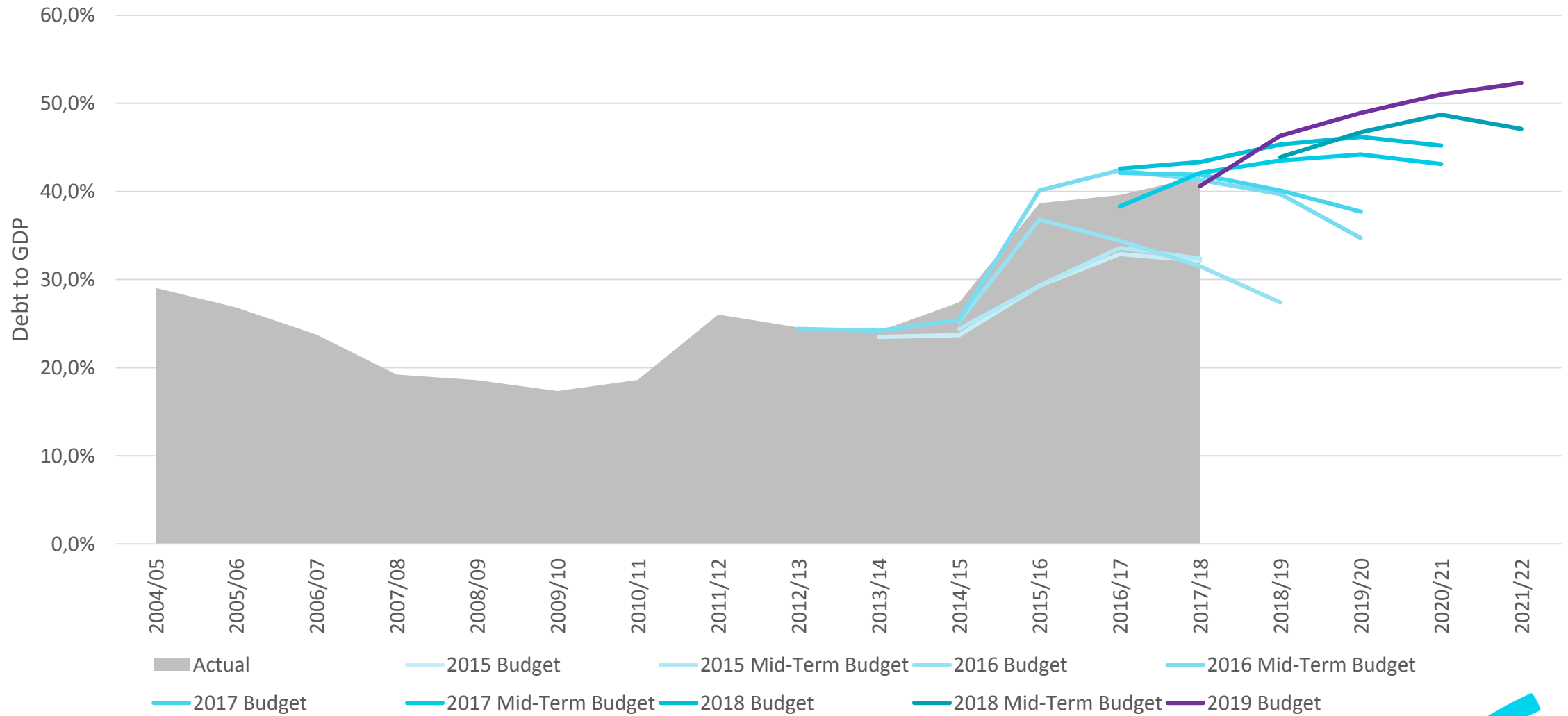
Personnel Expenditure



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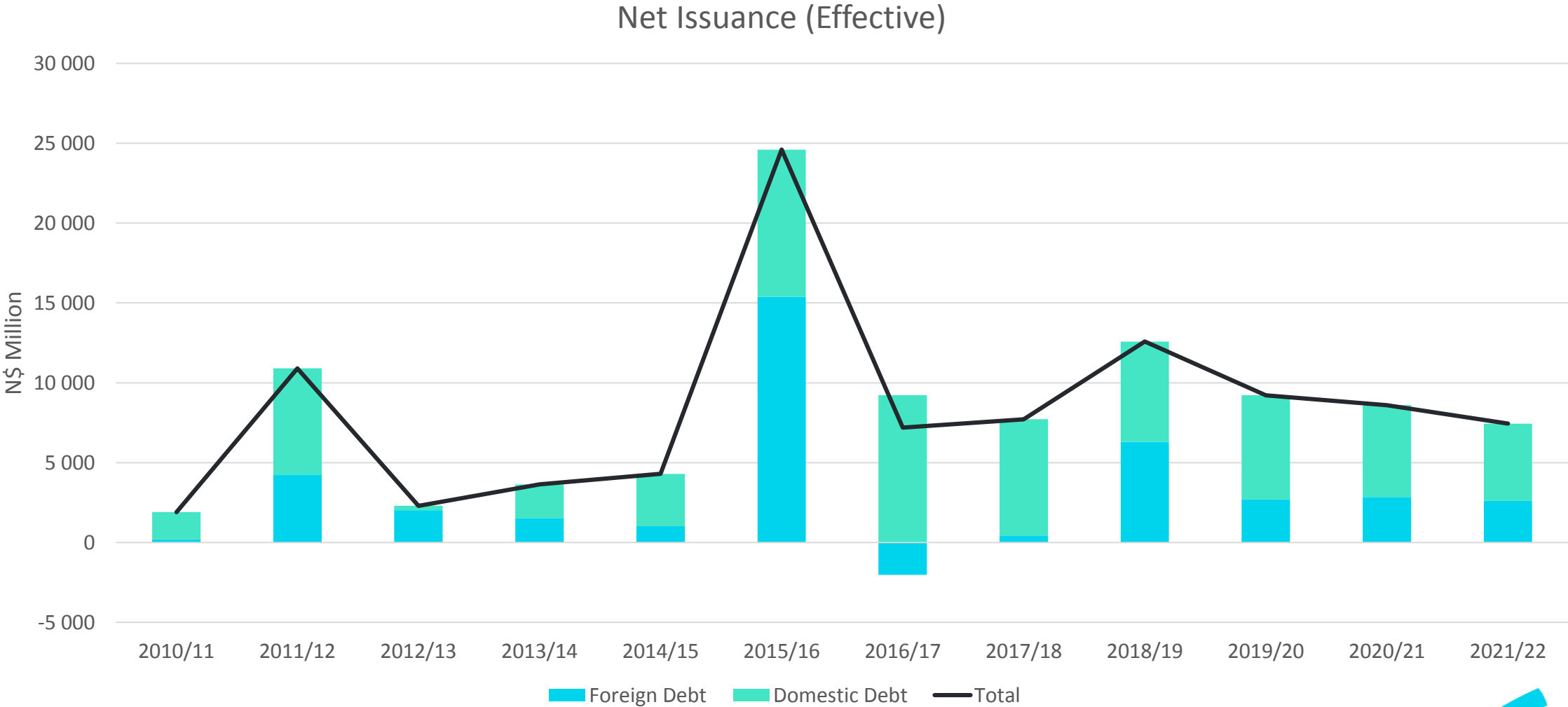
Debt to GDP



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Effective Accumulation of Debt

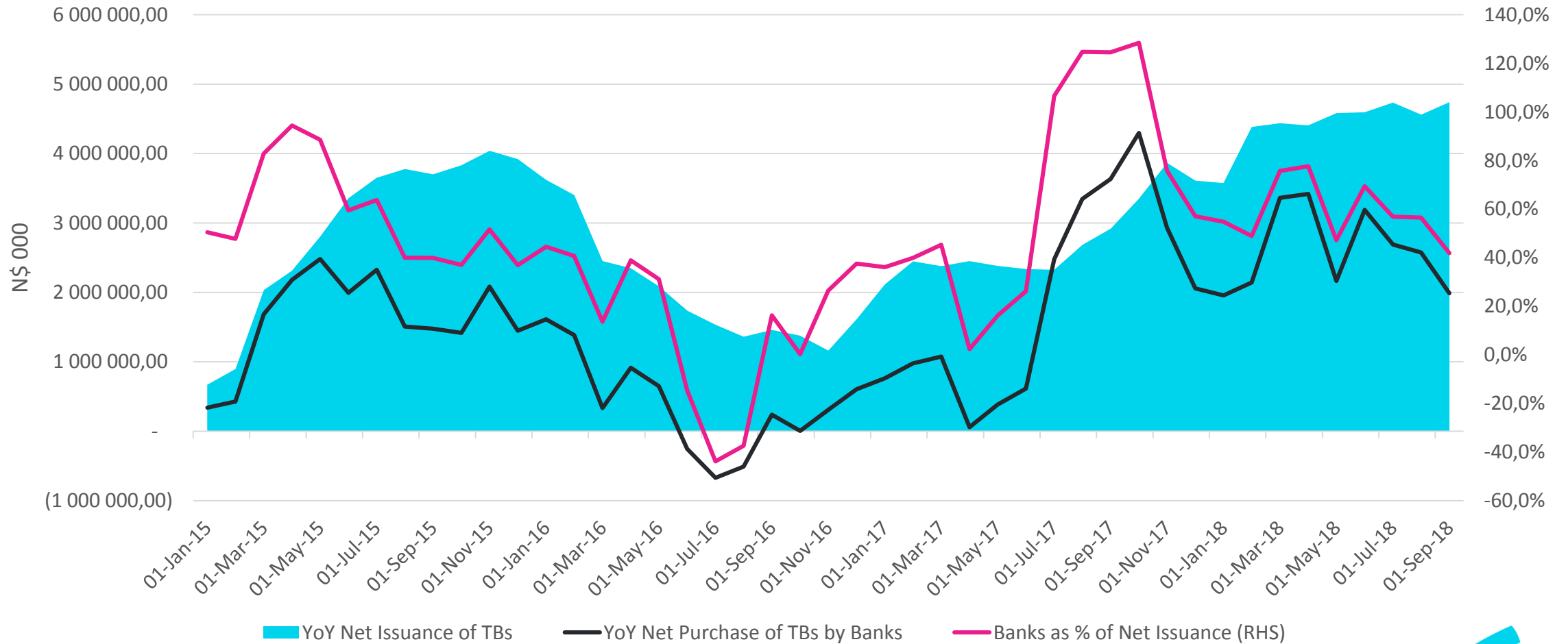


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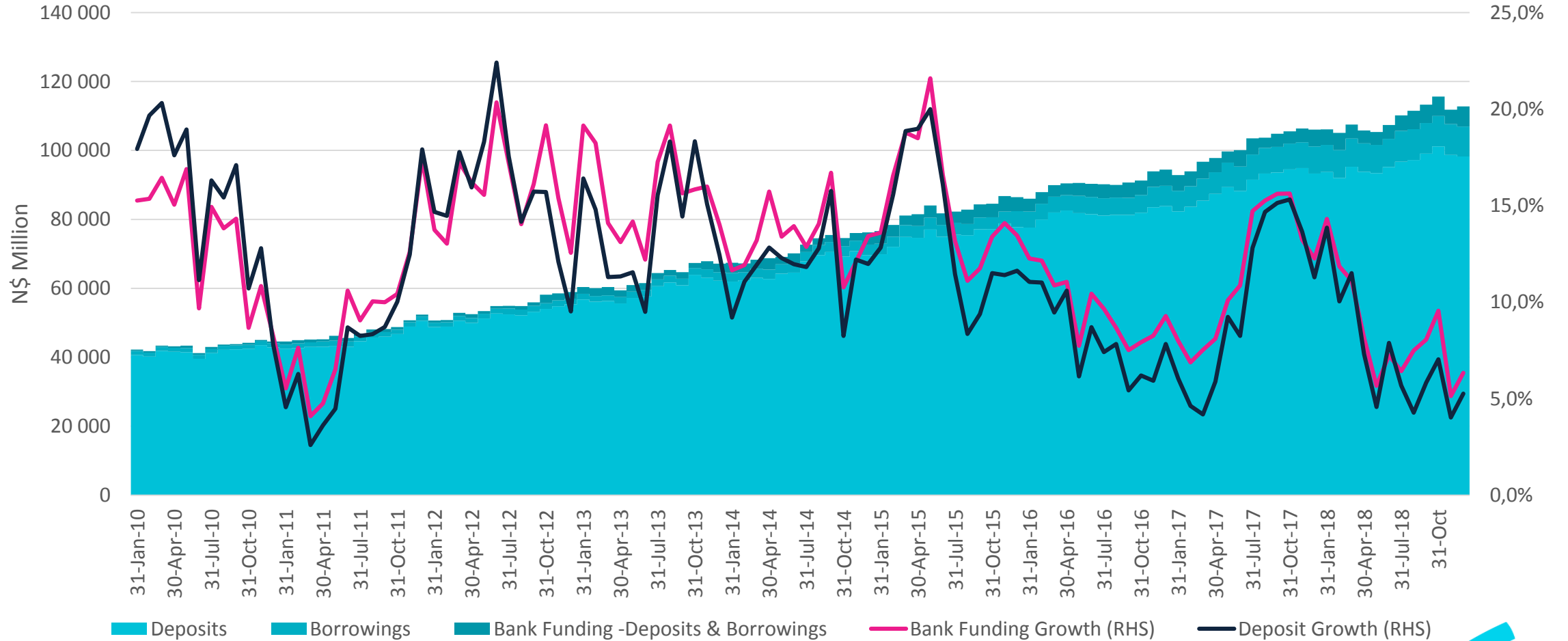
Treasury Bill Purchases - Banks

Banks Buying TBs



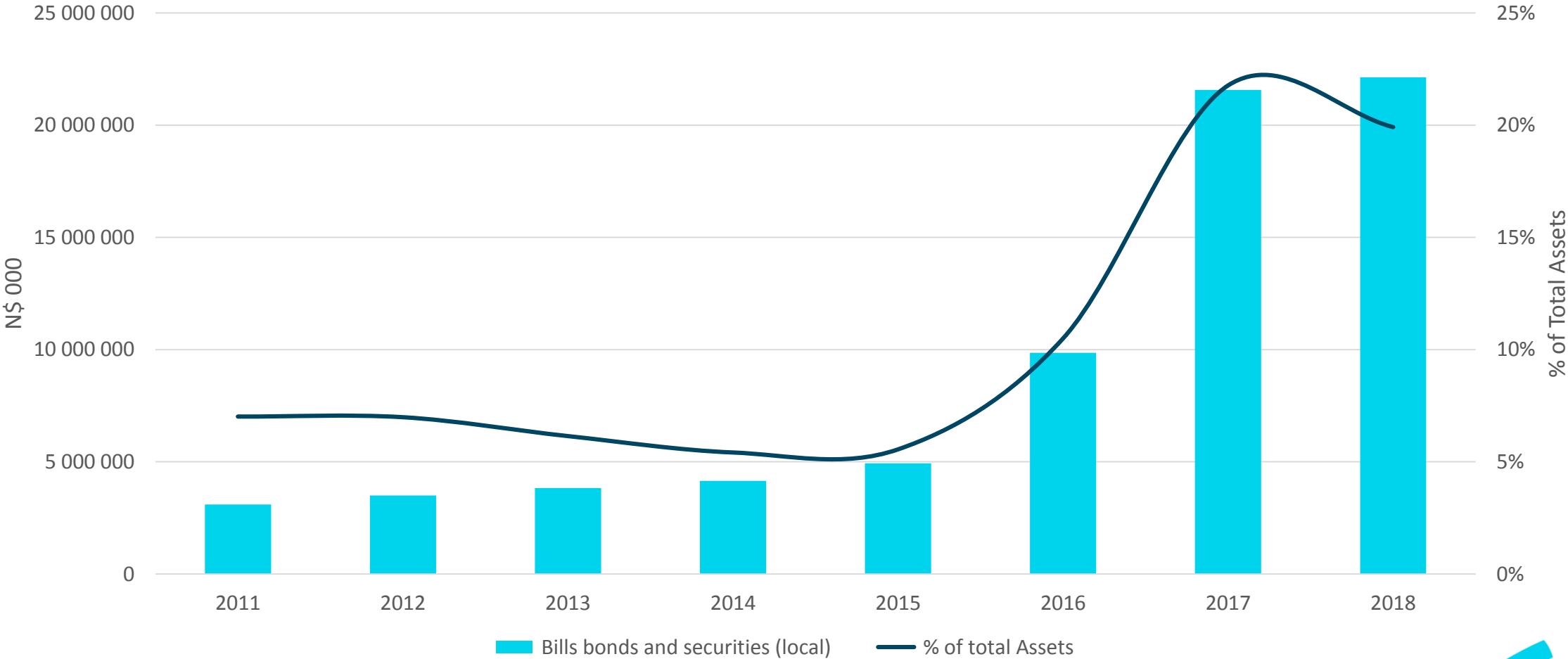
Bank Funding

Banking Sector Funding



GIPF Exposure to Local Debt

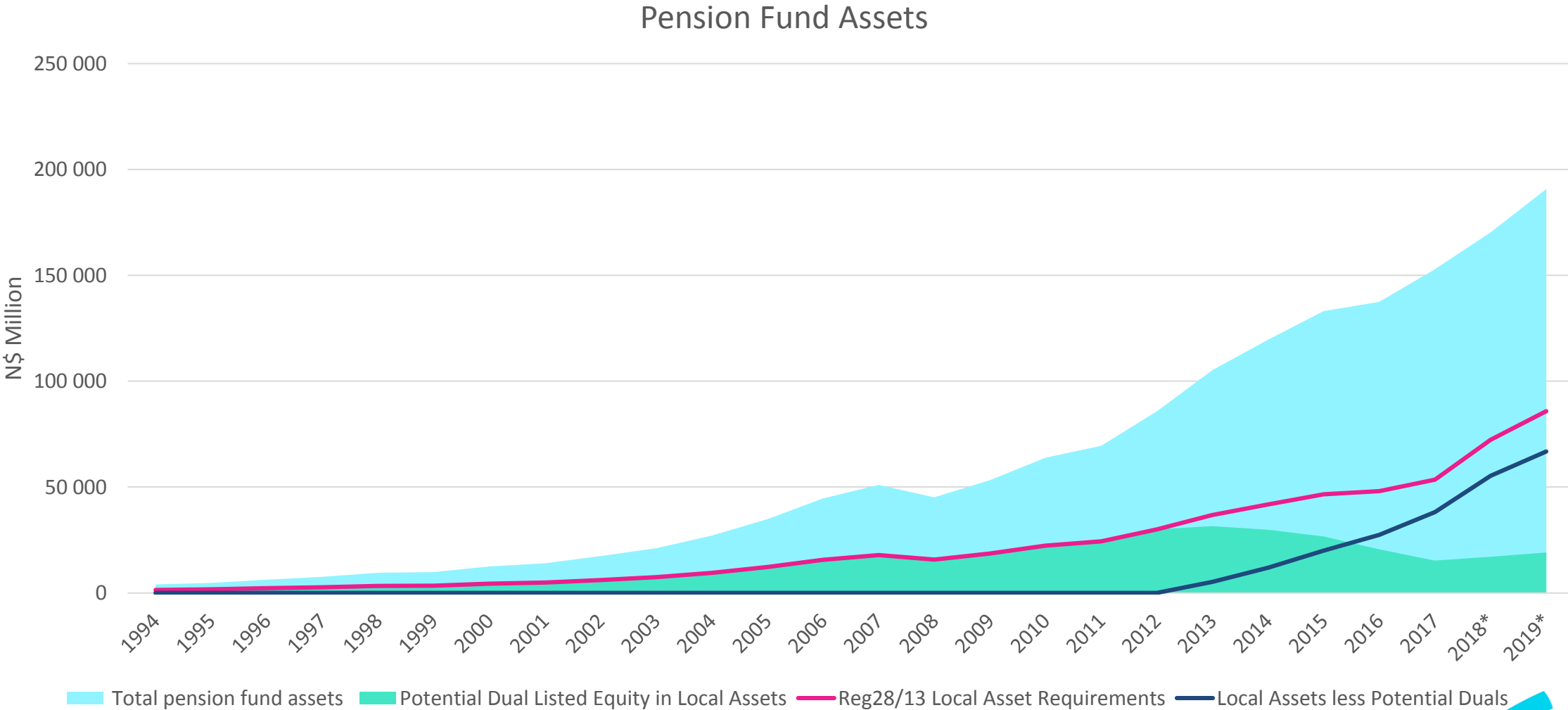
Local Bills, Bond and Securities



* March year end



Pension Fund Assets

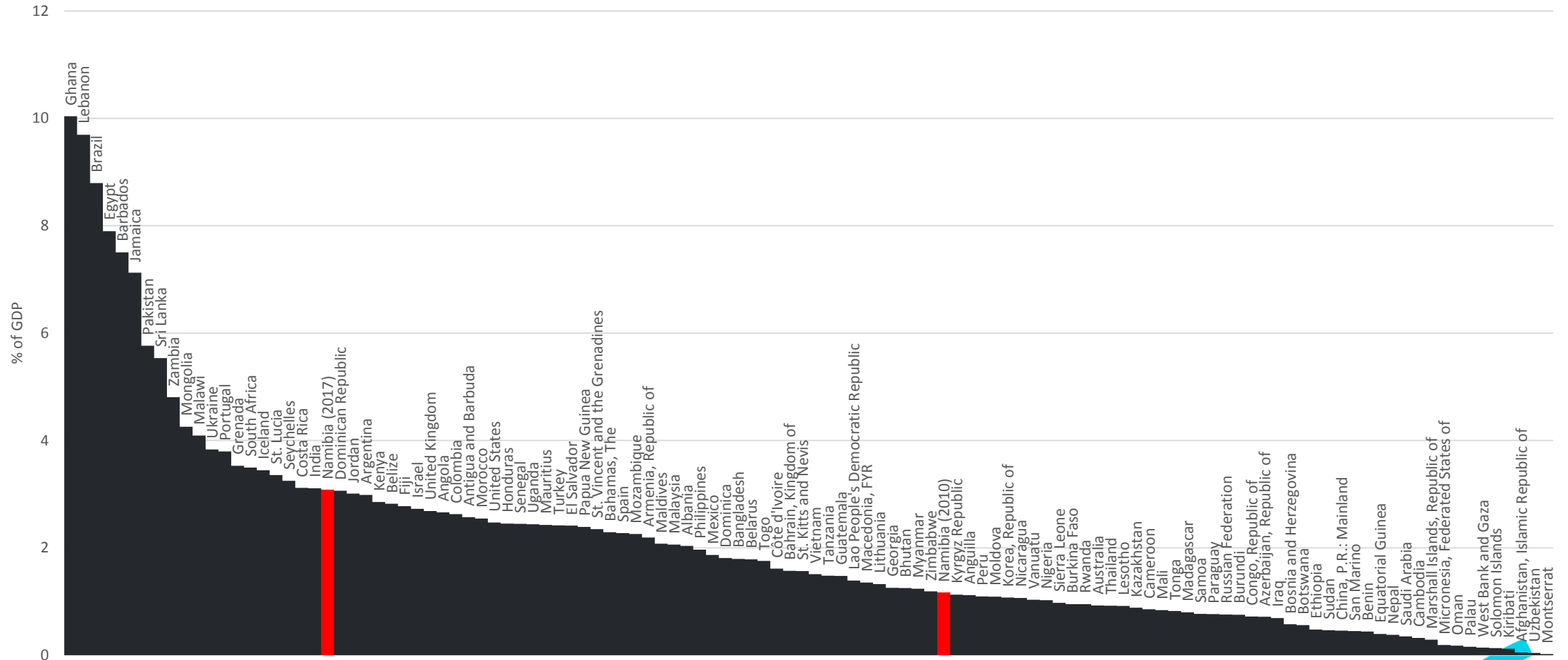


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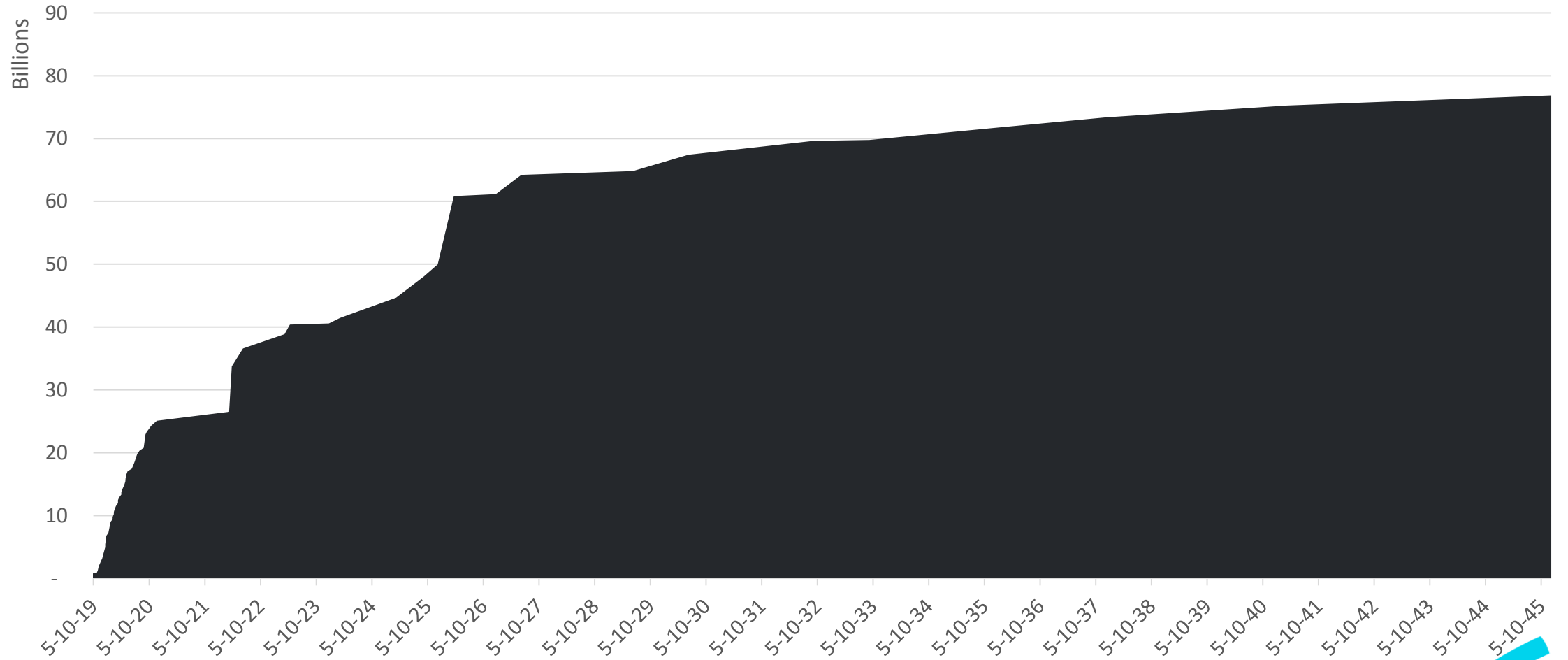
Debt Costs

Debt Servicing (% of GDP)



Maturity Profile

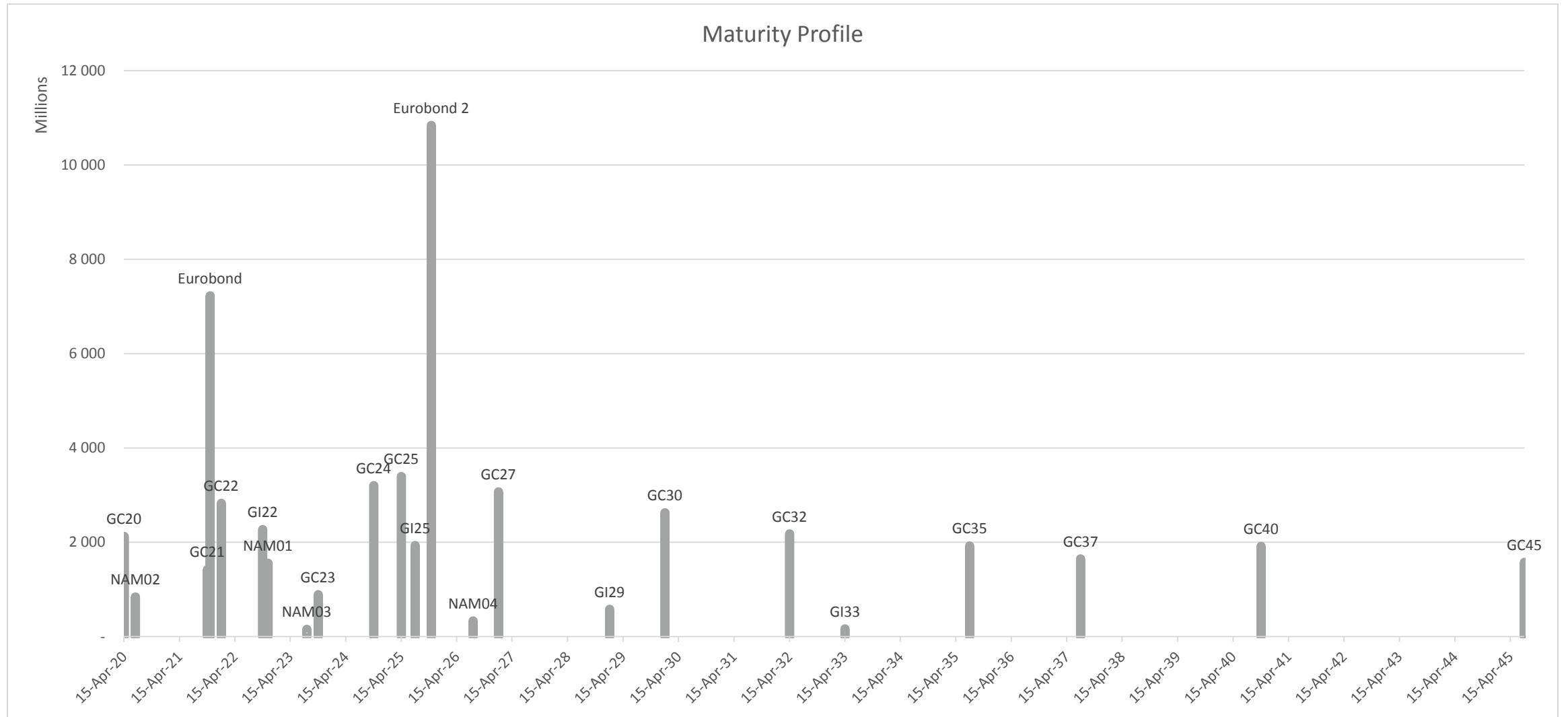
Maturity Mountain - TBs included



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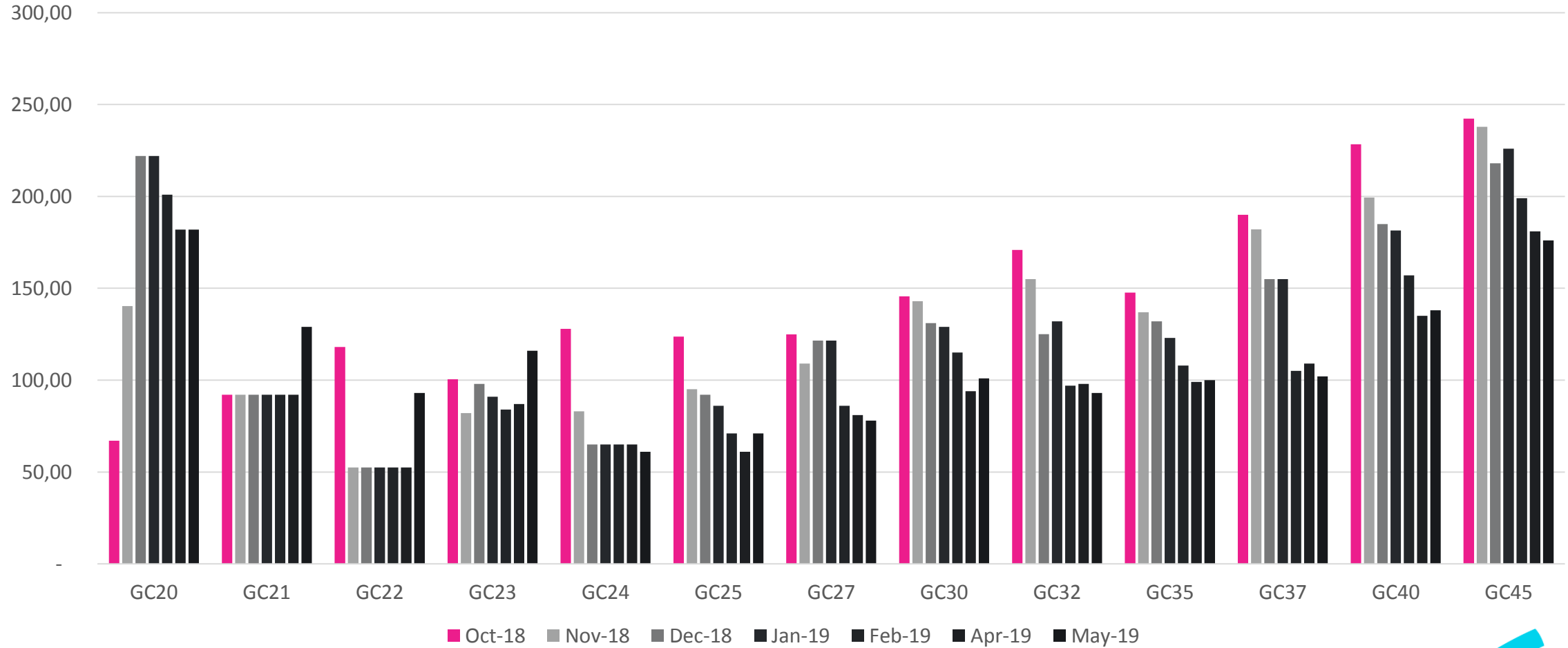


Maturity Profile



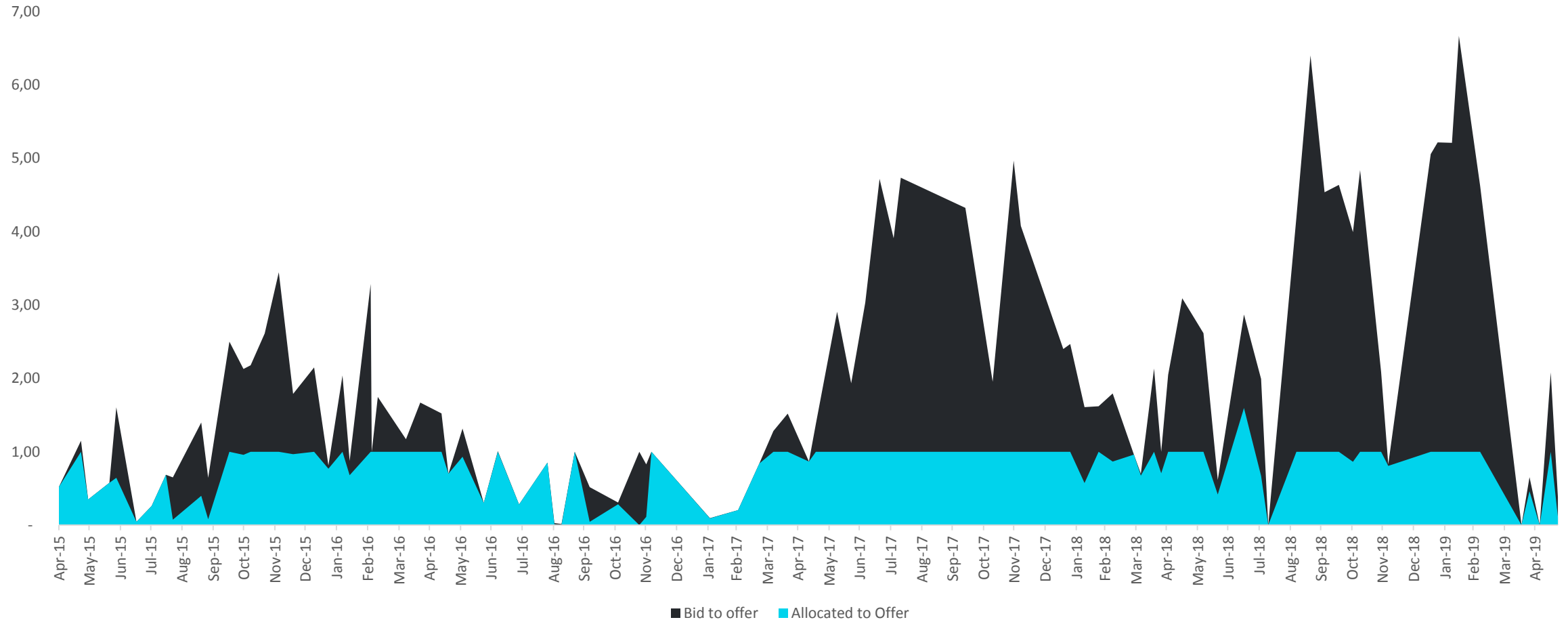
Spreads over benchmark

Spreads



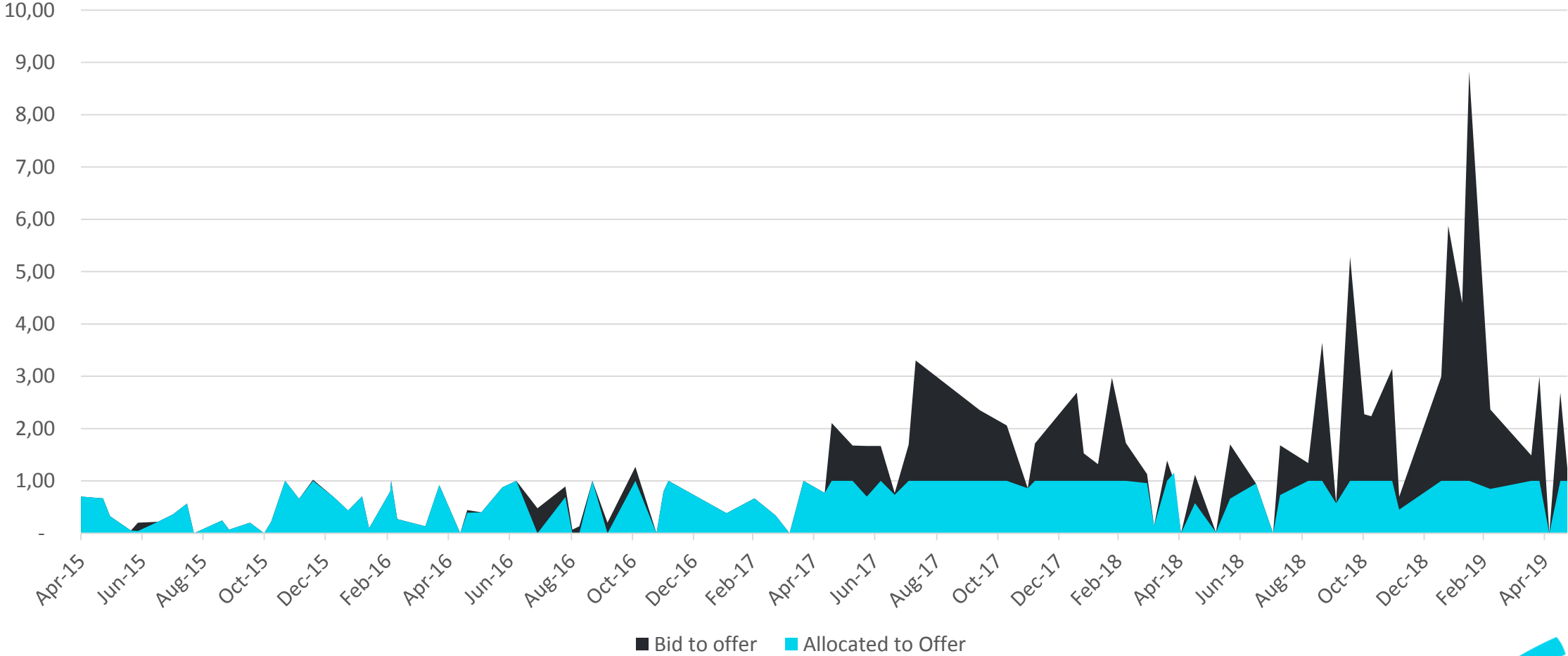
Bid-to-Offer: Short

Short Bonds - Bid / Allocated to Offer



Bid-to-Offer: Medium

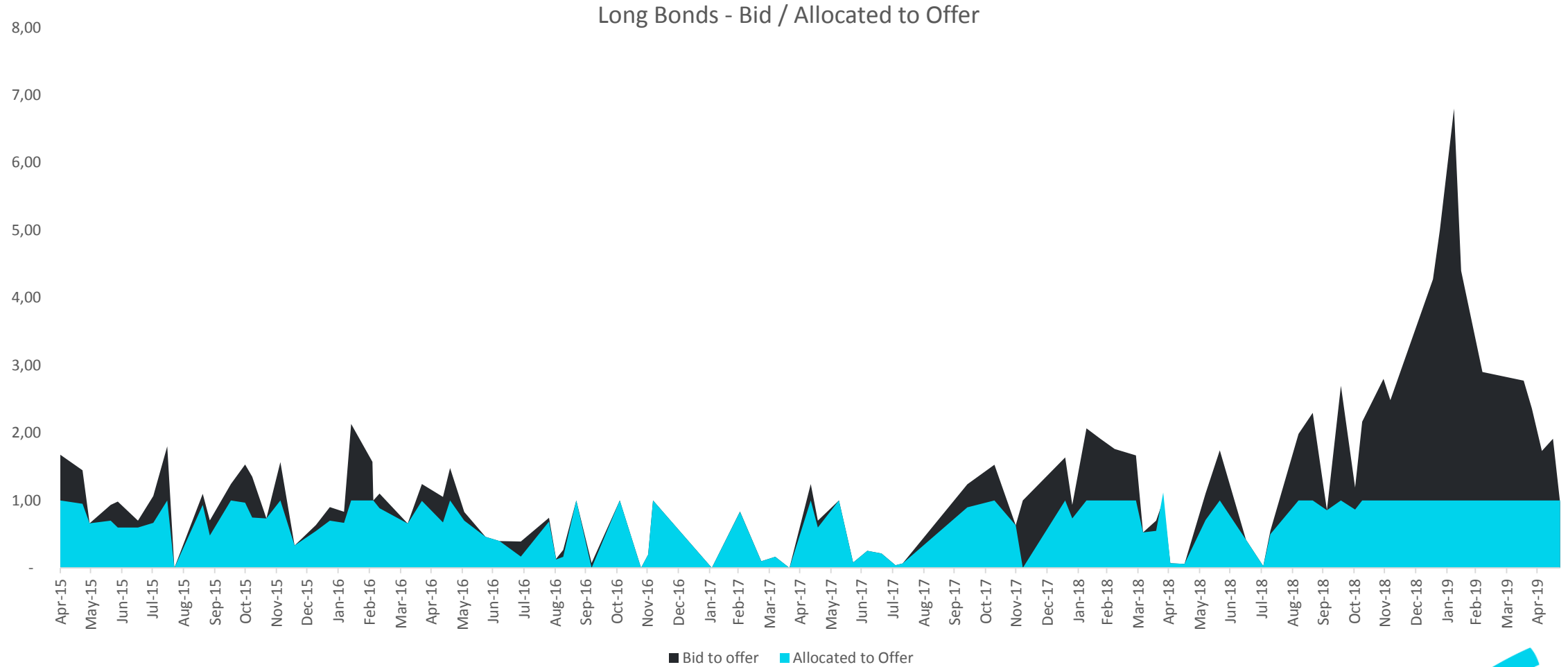
Medium Bonds - Bid / Allocated to Offer



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Bid-to-Offer: Long

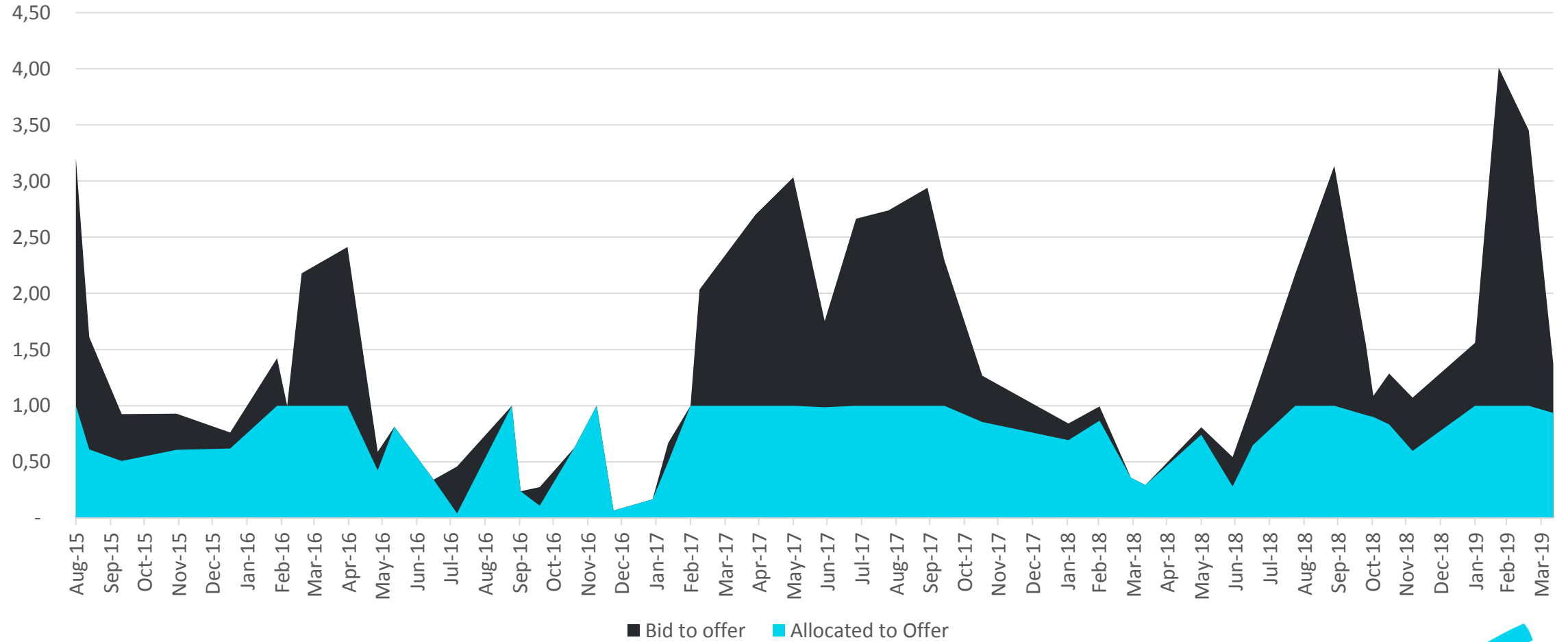


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Bid to Offer: GI

GIs - Bid / Allocated to Offer

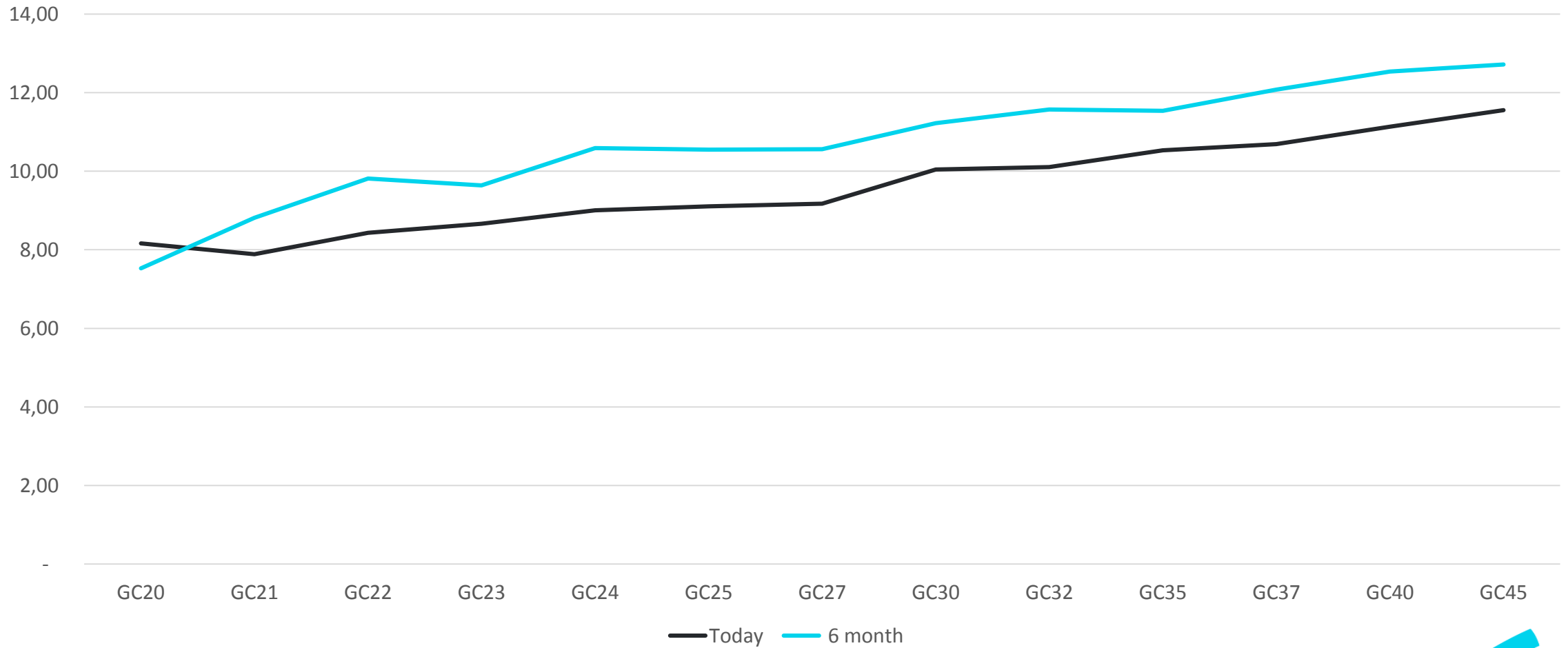


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Nam Curve

Yield Curve

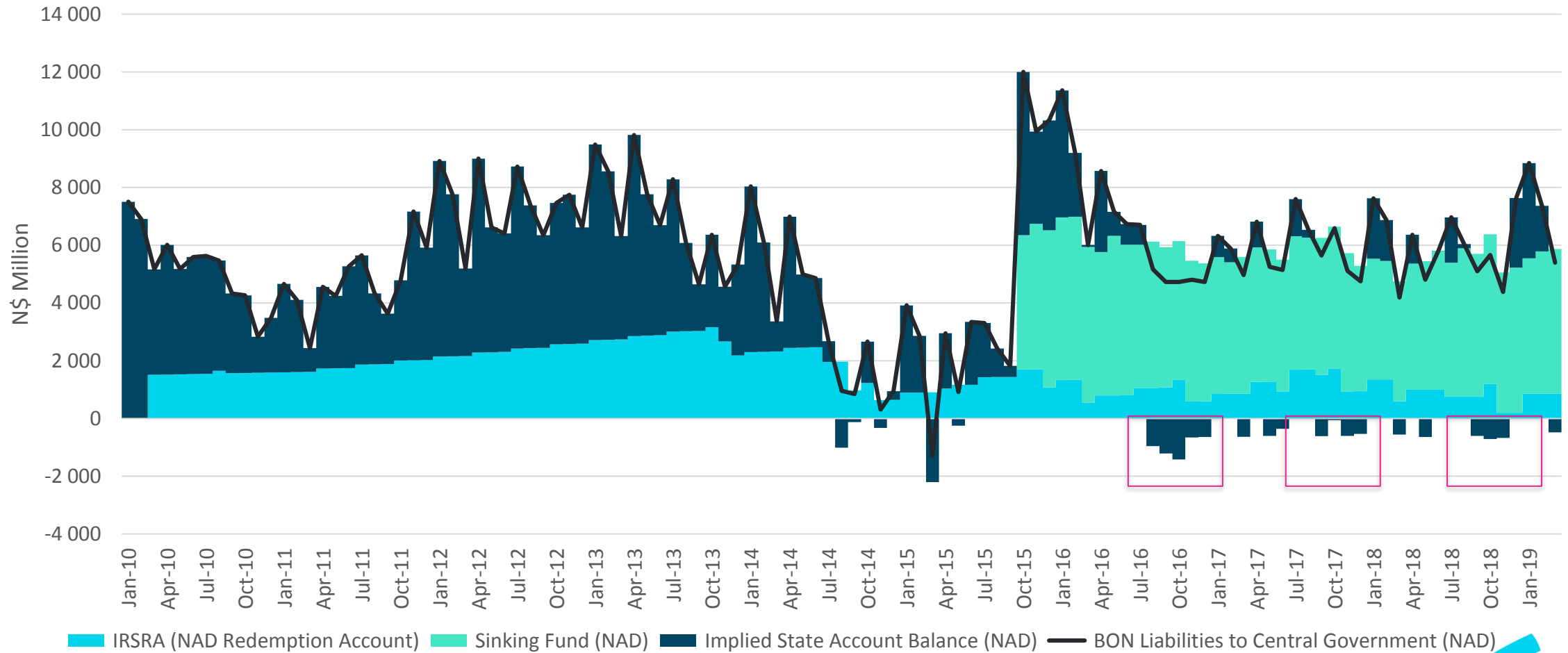


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Cash balances

Govt Cash Balances with BoN



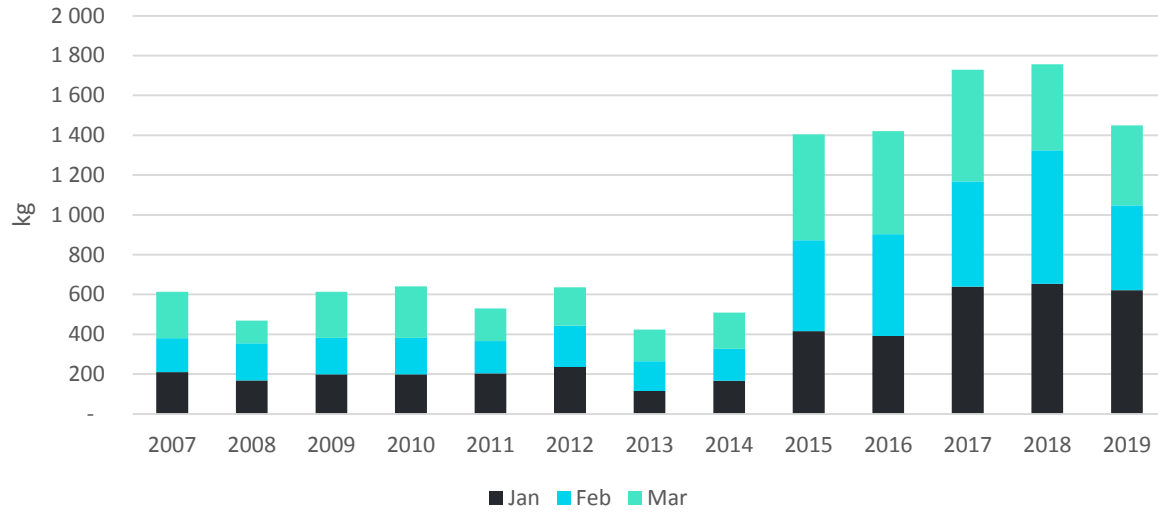


Net Exports

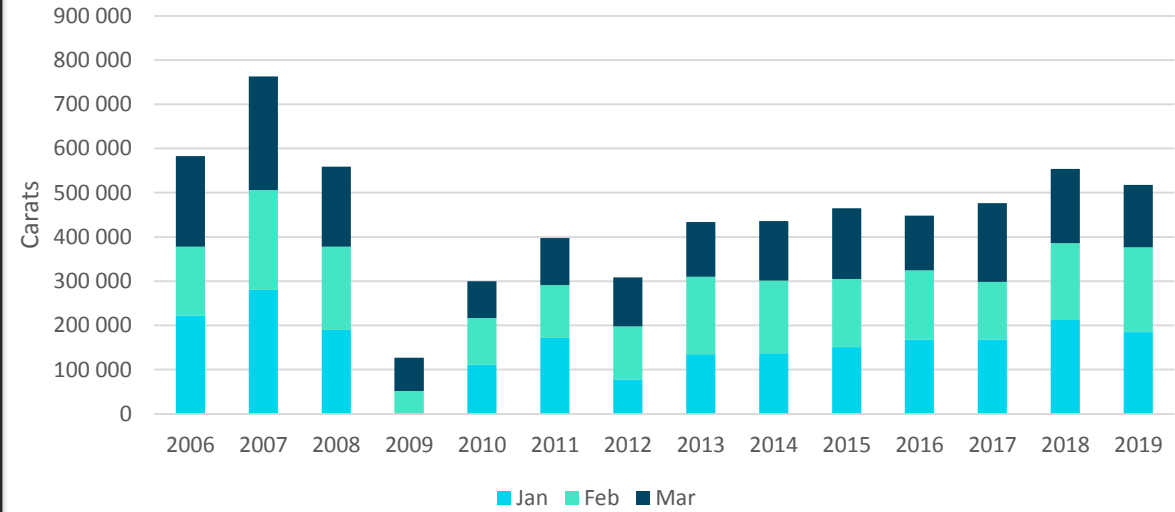


Q1 Mining Production

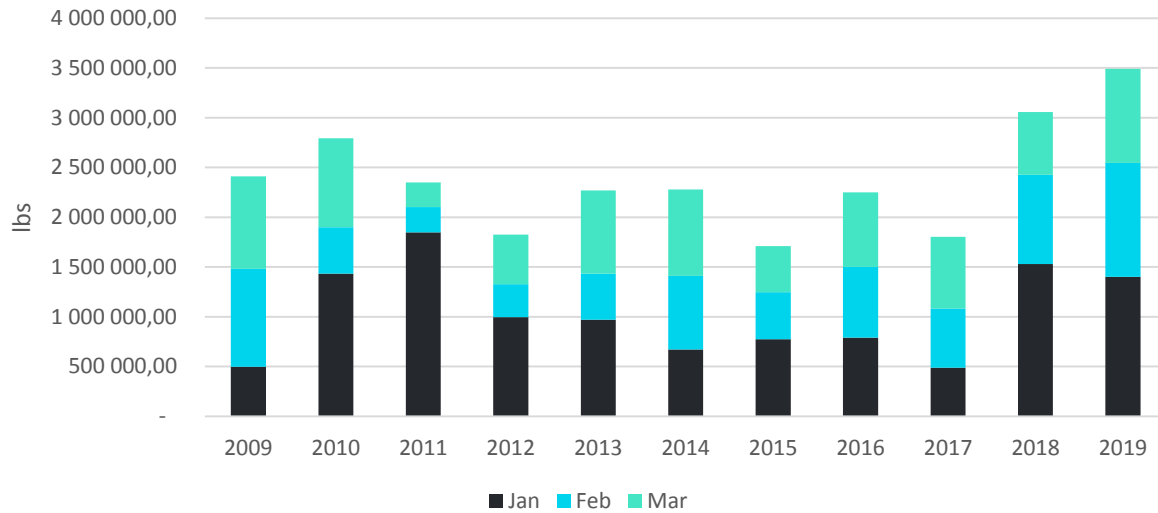
Gold Bullion



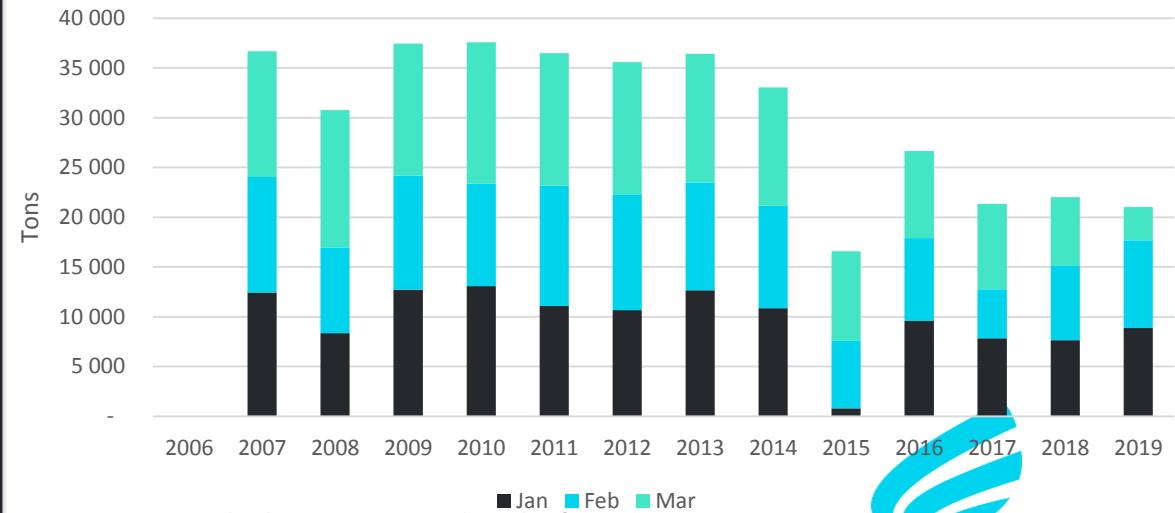
Diamonds



Uranium



Refined Zinc Q1



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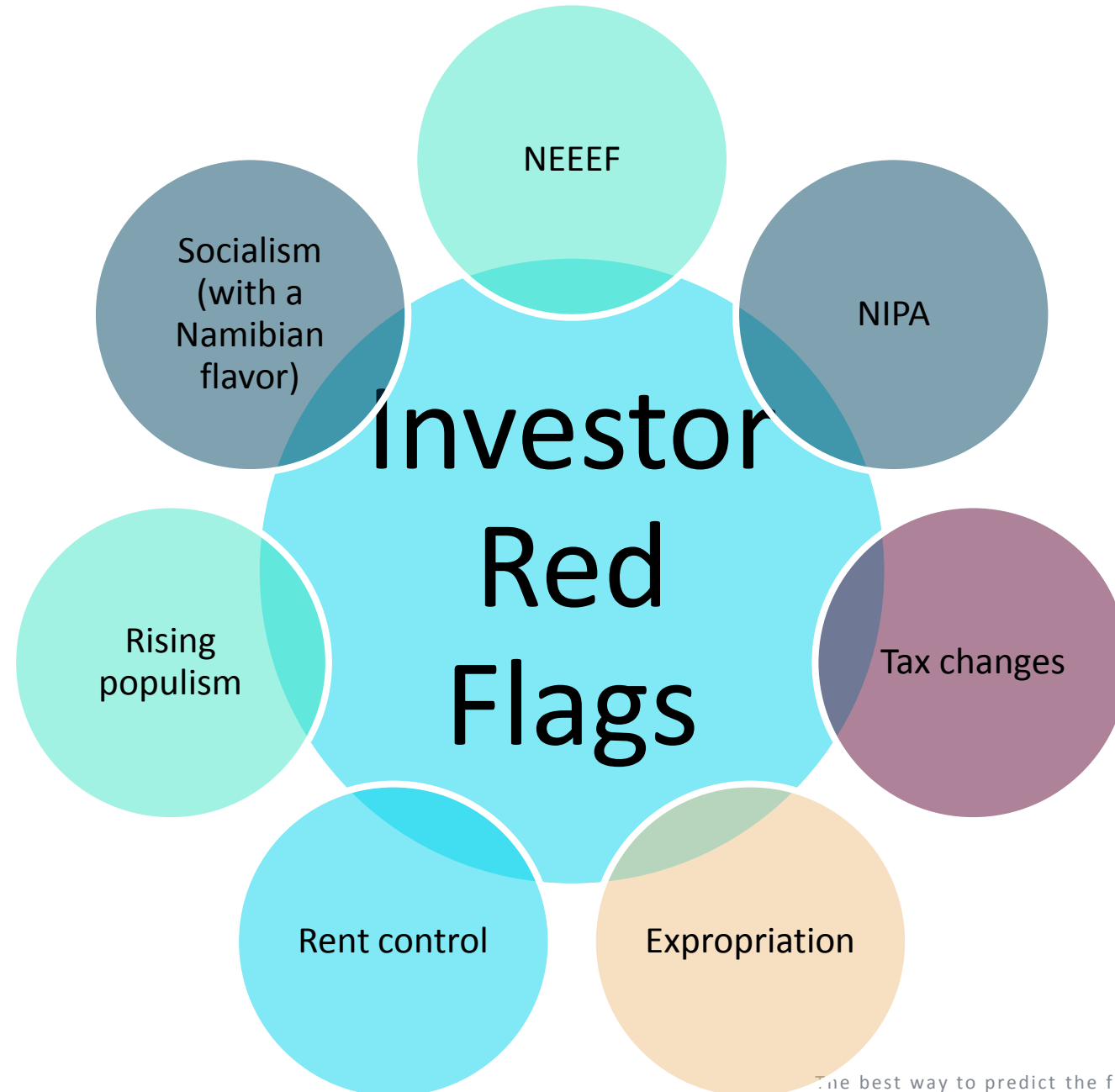


Investment

(12.6% of GDP)



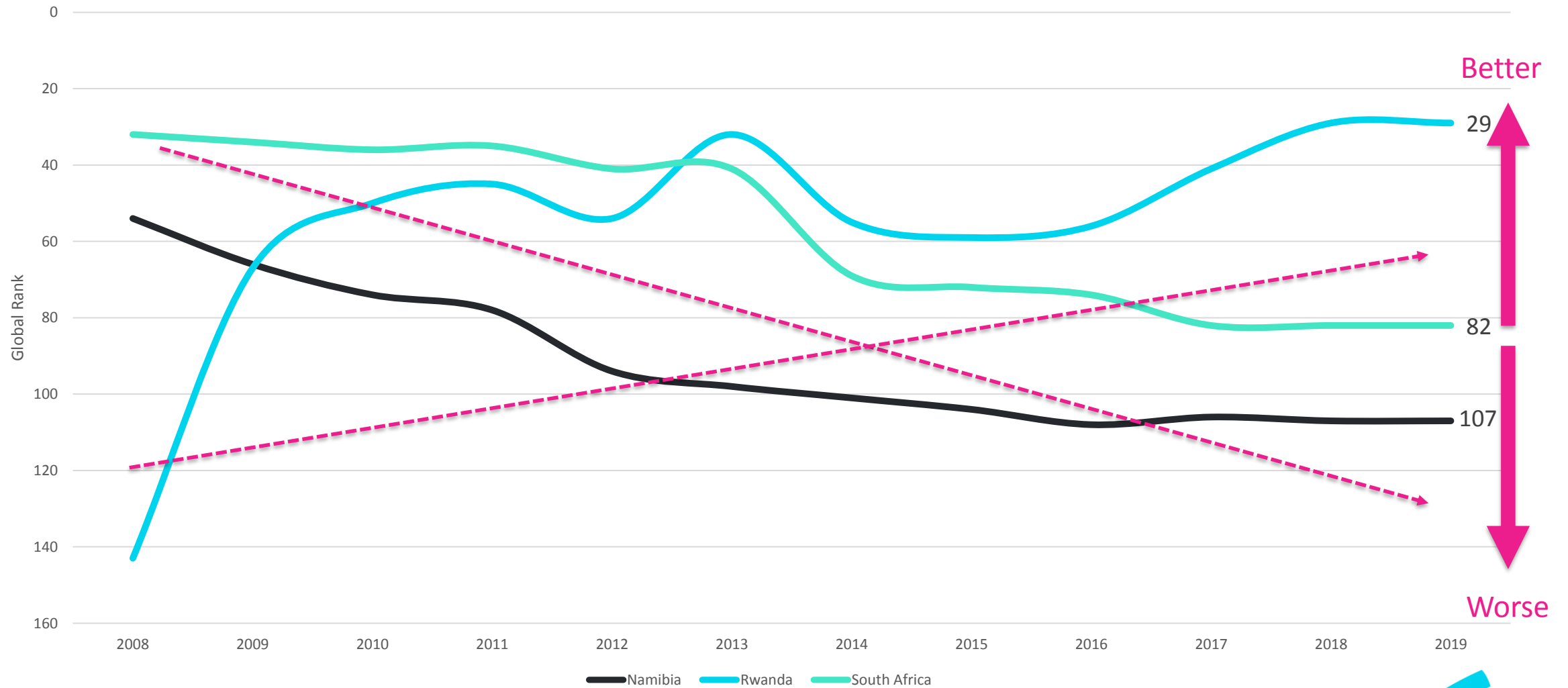
Considerations



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Ease of Doing Business

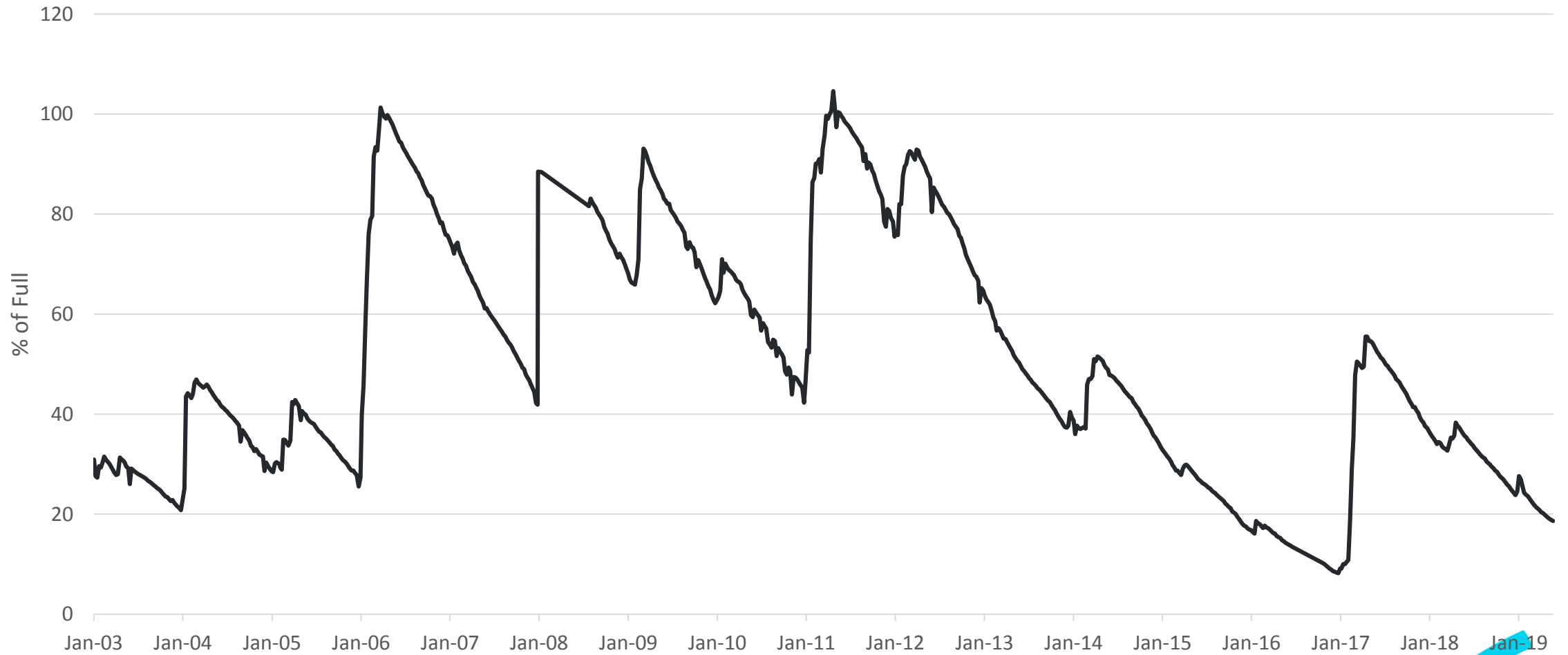


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Water issues

Central Dam Levels

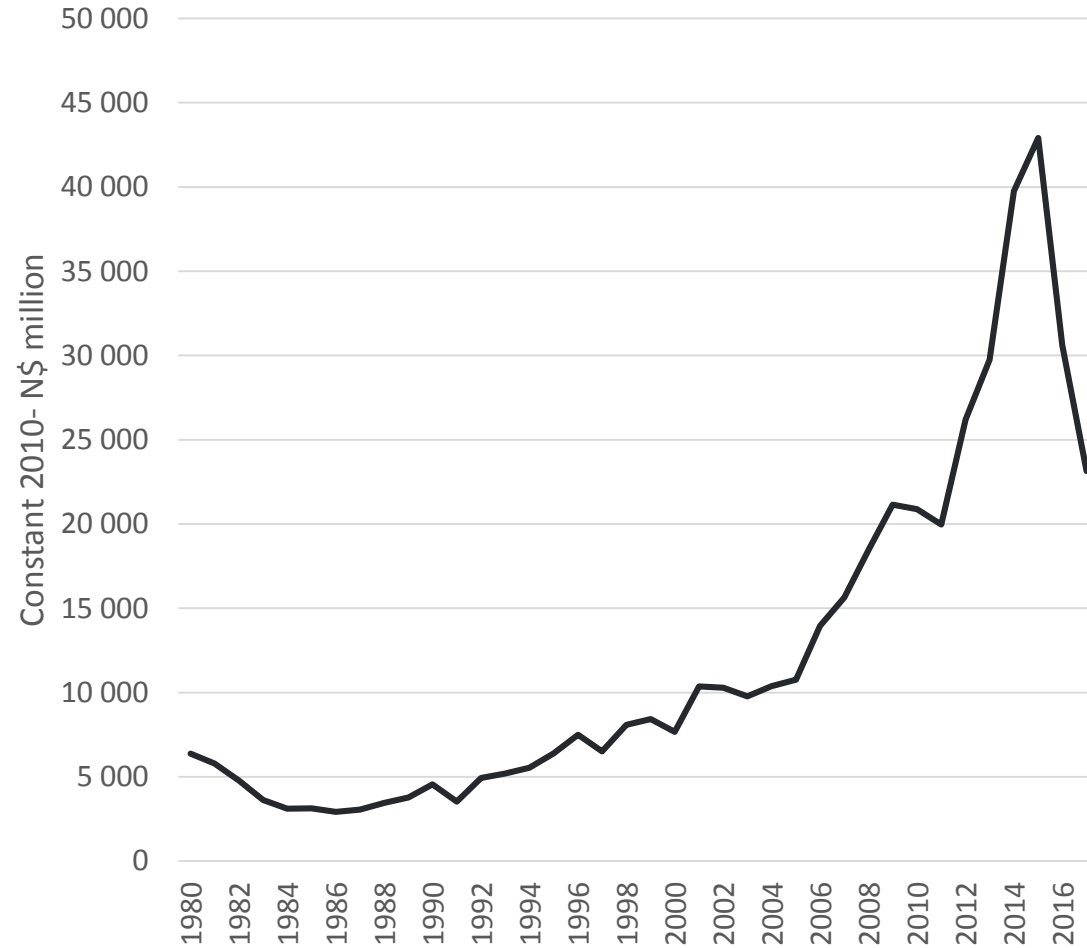


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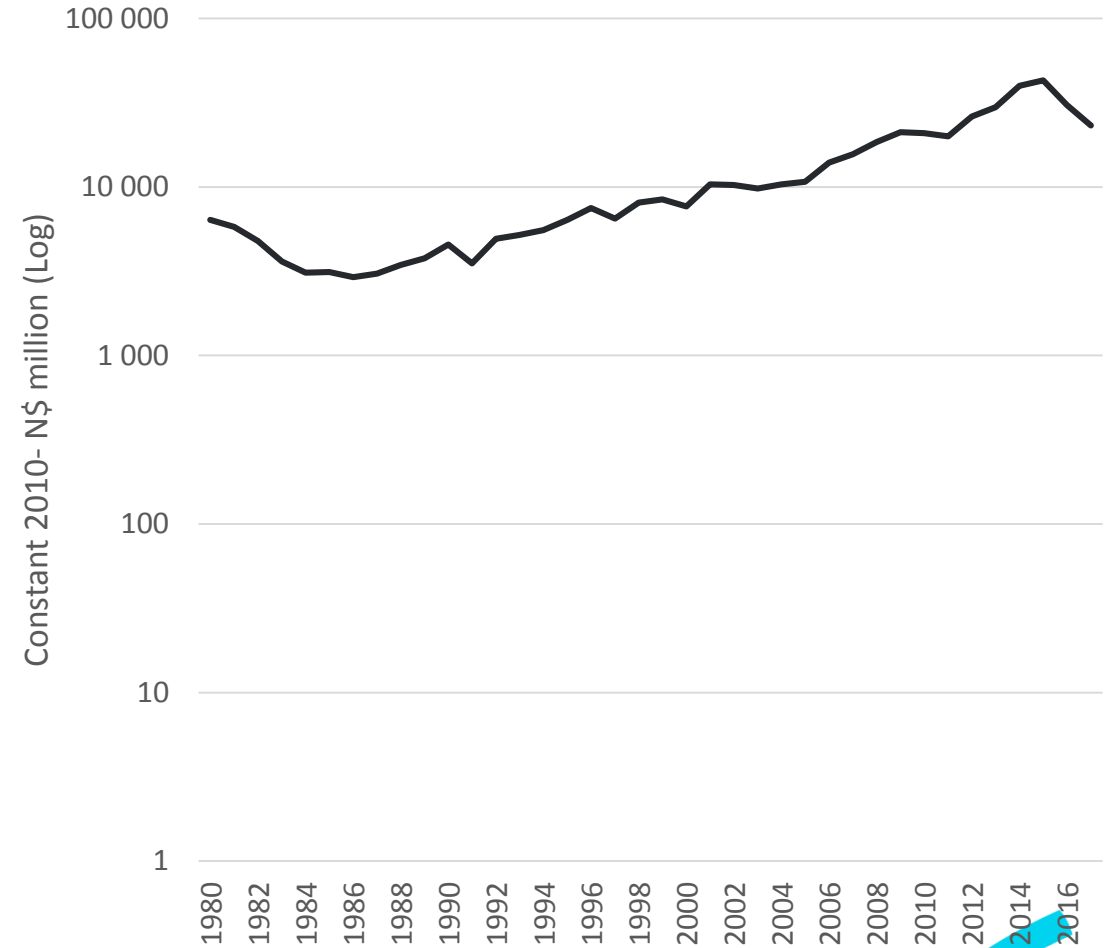


Fixed capital formation

Gross fixed capital formation

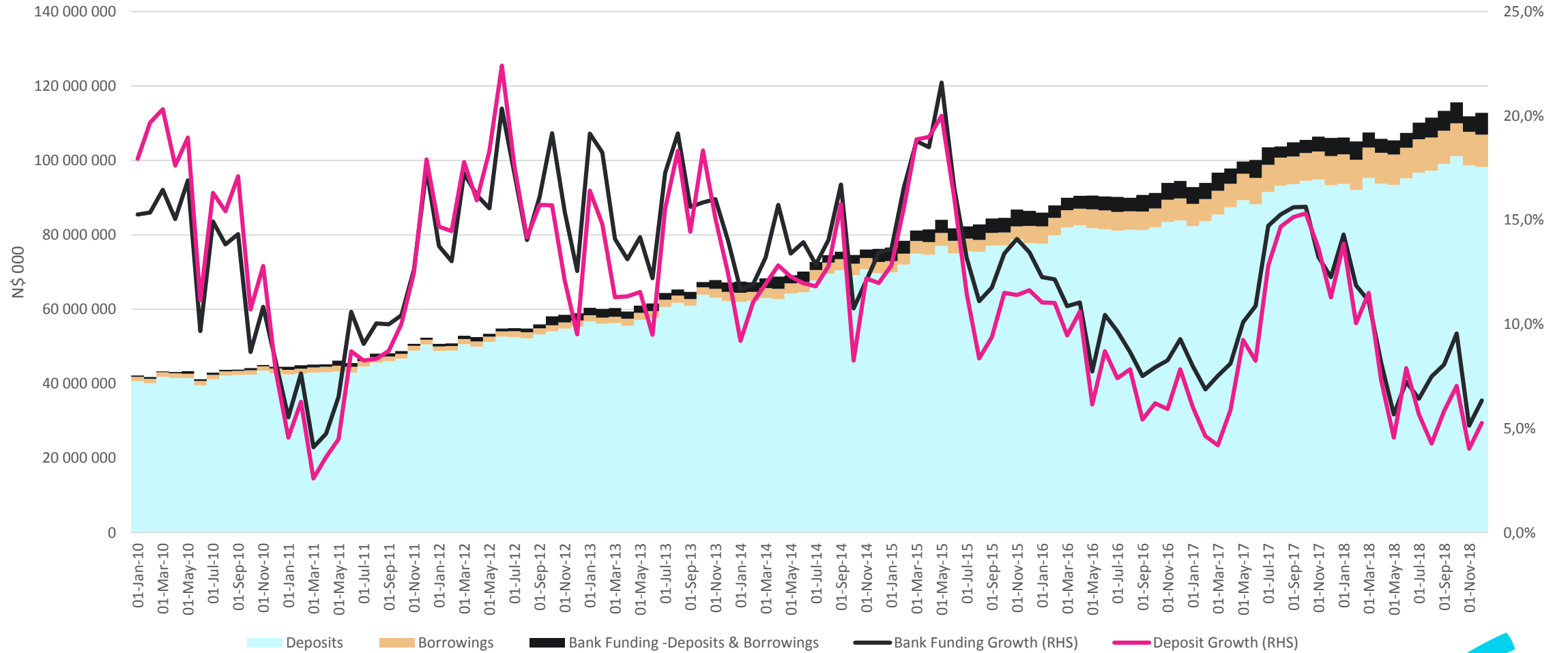


Gross fixed capital formation (Log)



Bank Funding

Banking Sector Funding



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Credit and interest rates

Credit Growth and Interest Rates

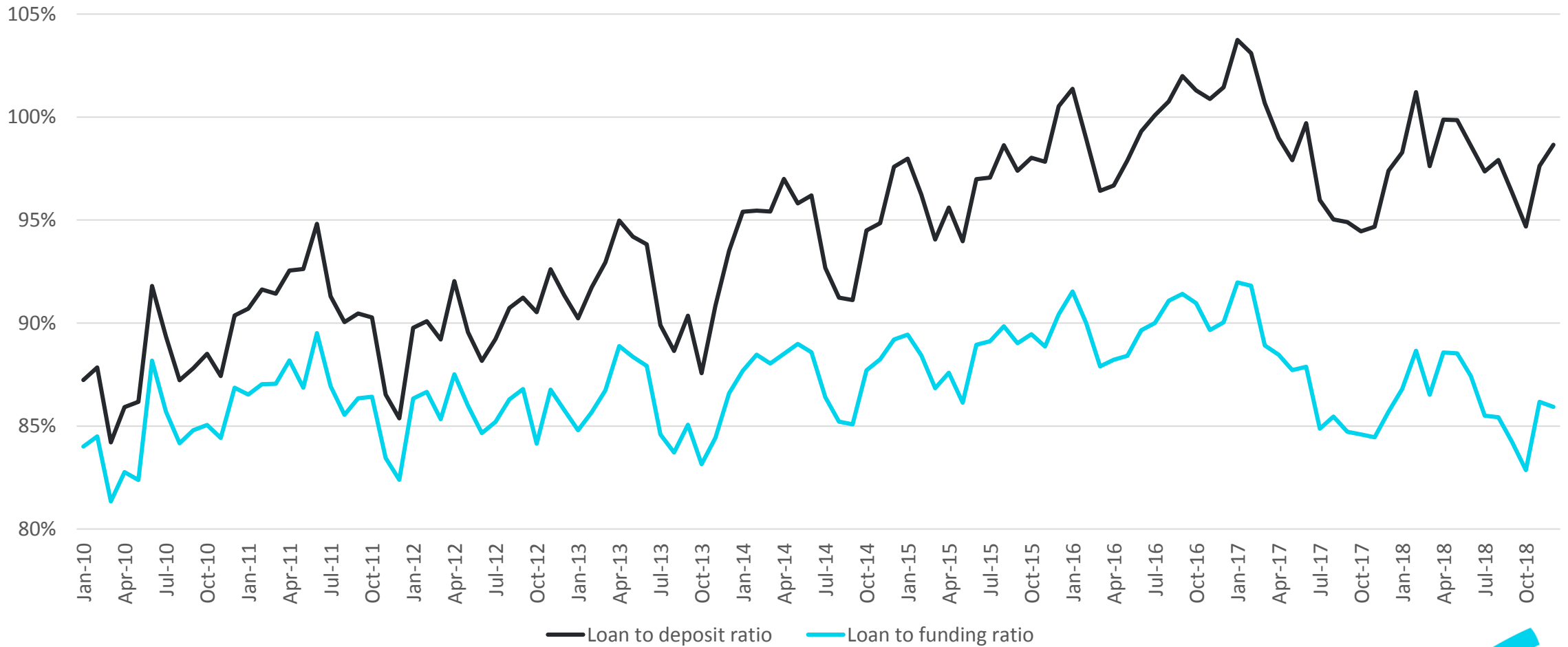


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Loan to funding

Loan to Funding Ratios

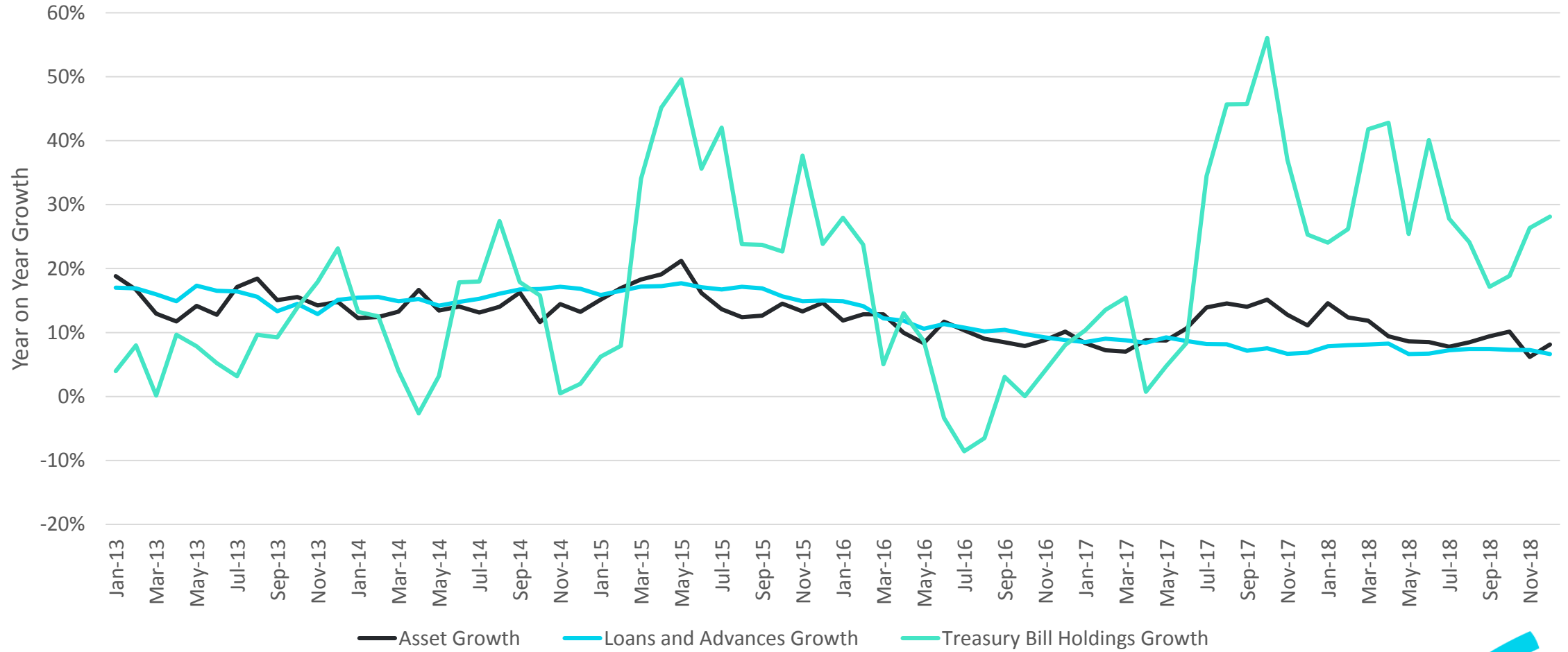


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Asset Growth

Sector Asset Growth (Select lines)

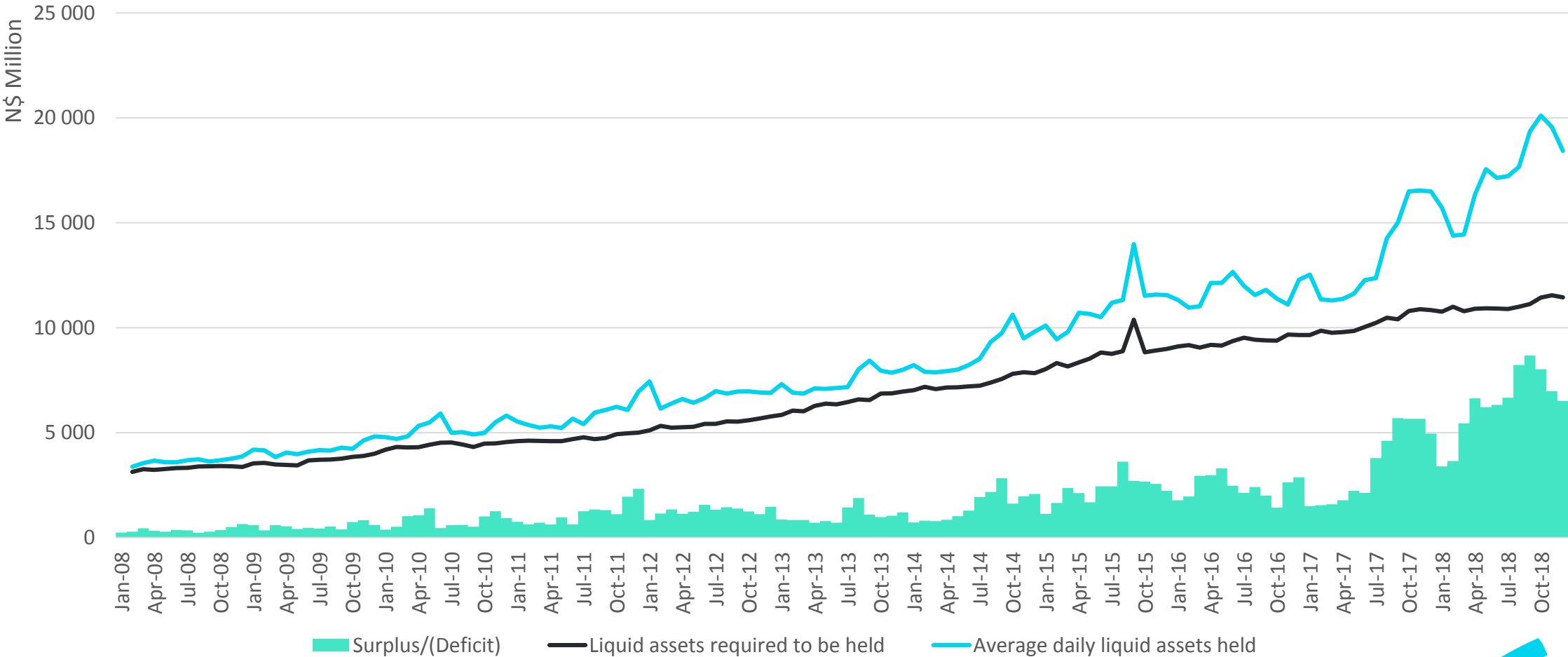


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Liquid Asset Surplus

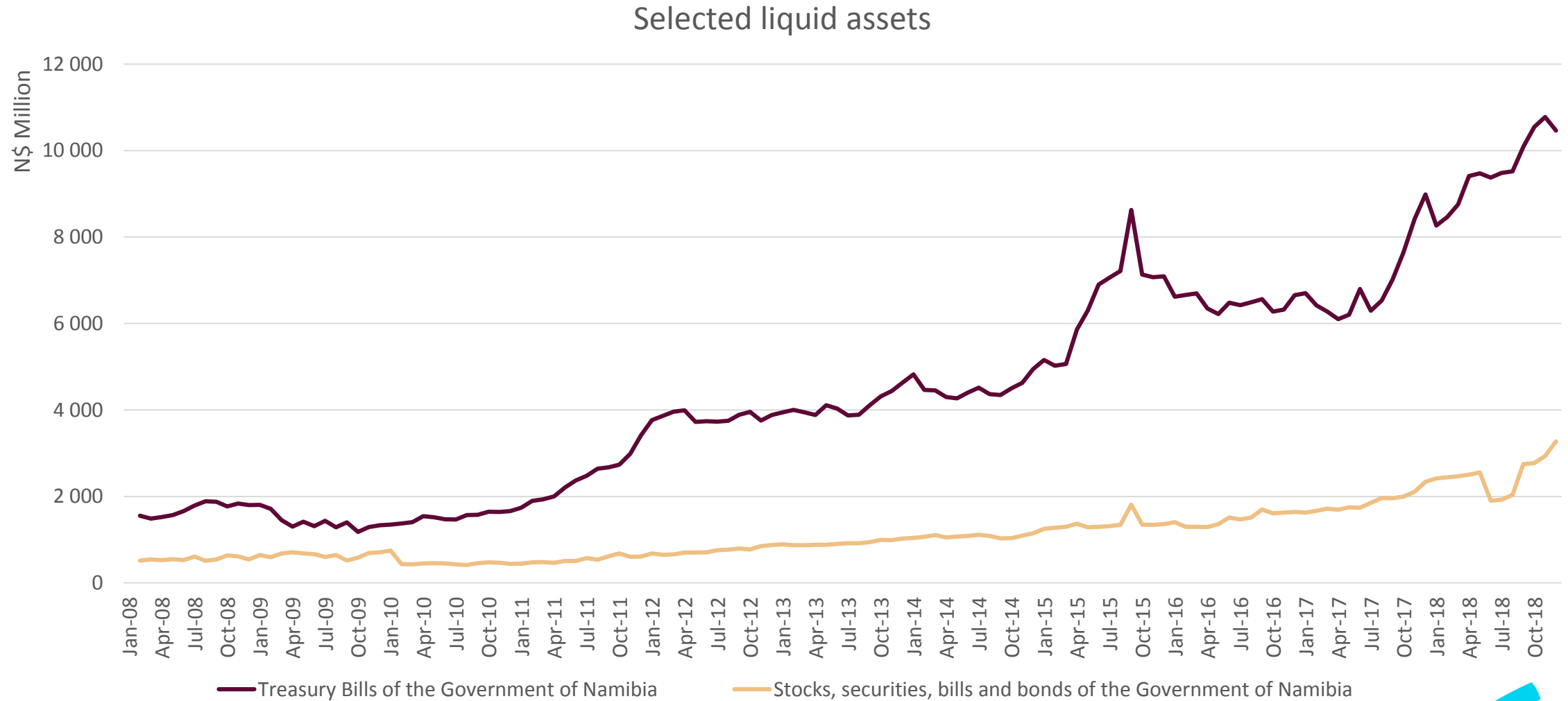
Average Liquid Asset Surplus



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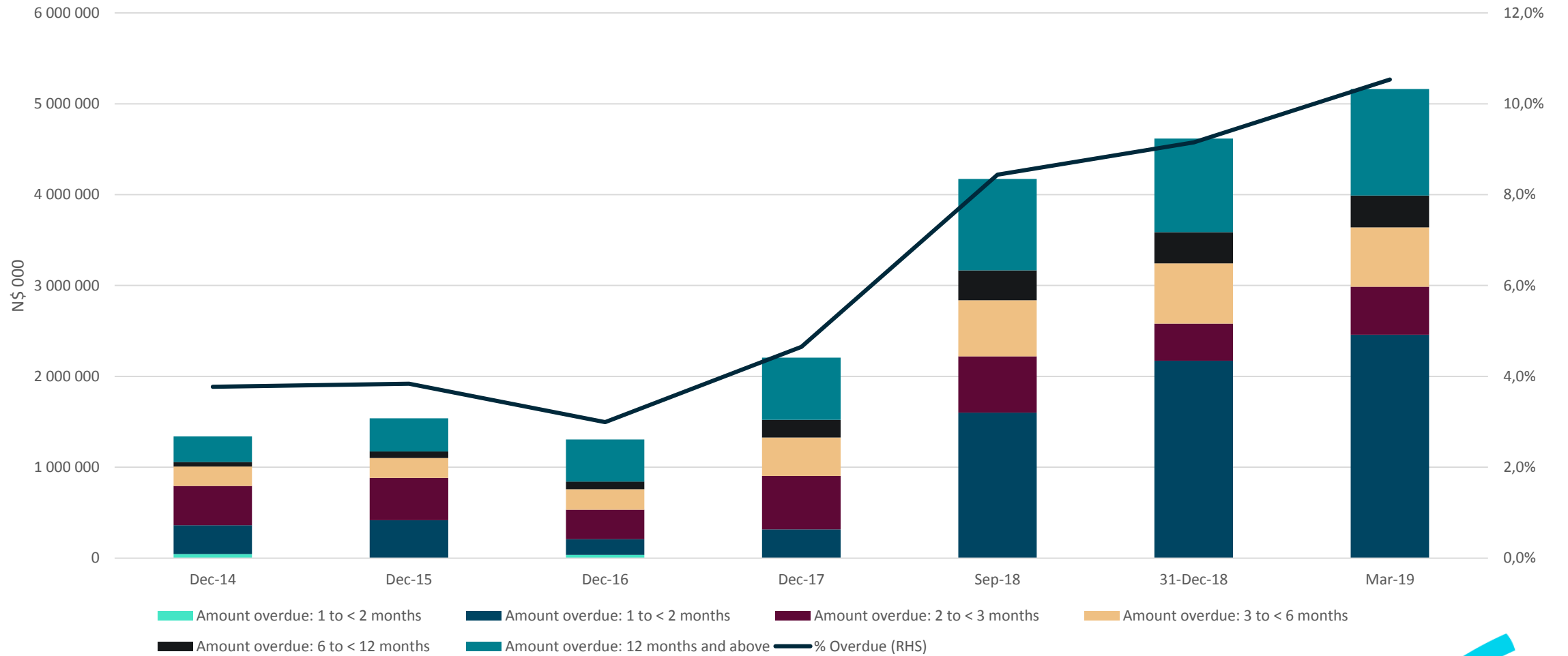


Selected Liquid Assets



Arrears

Banking Sector Mortgage Loans

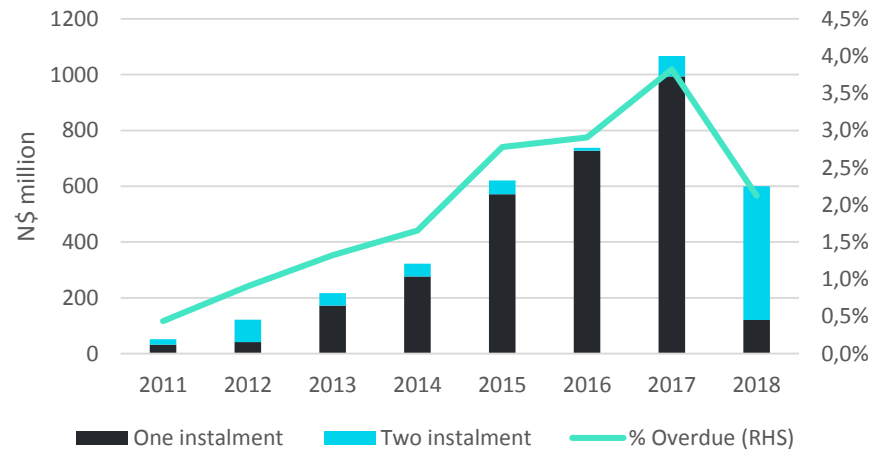


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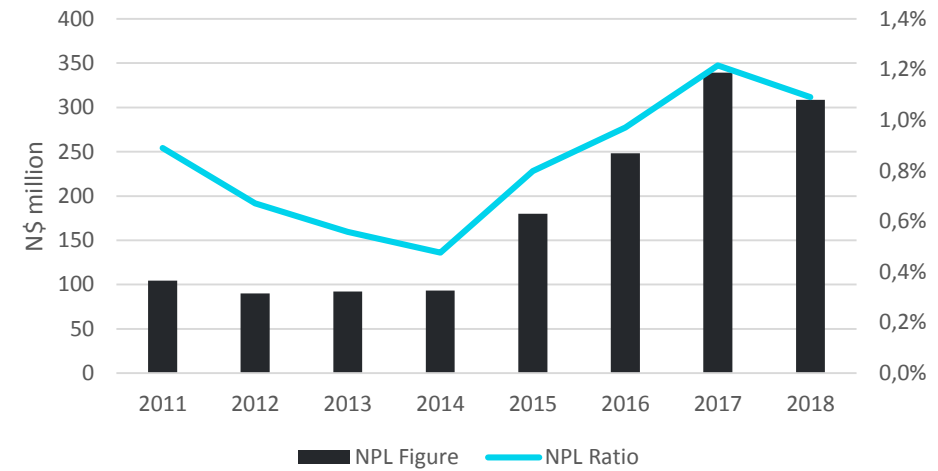


First National Bank

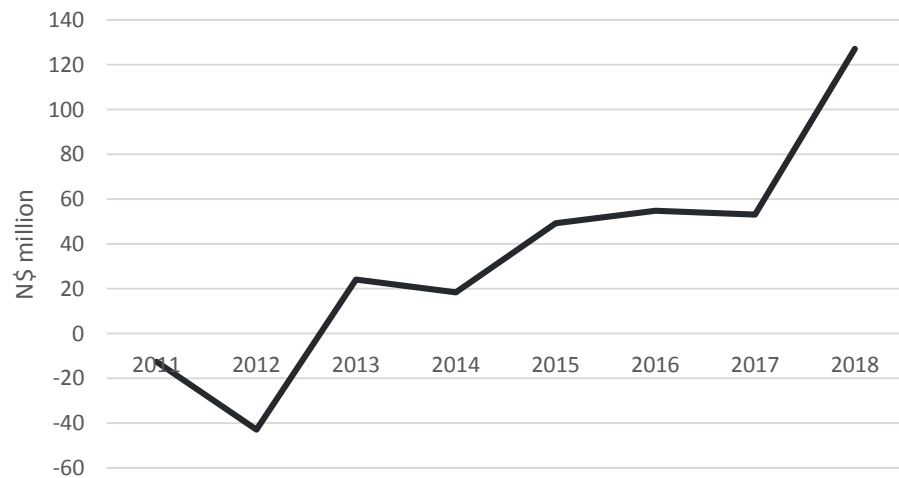
Arrears



Non-performing loans



Impairment expense/(reversal)

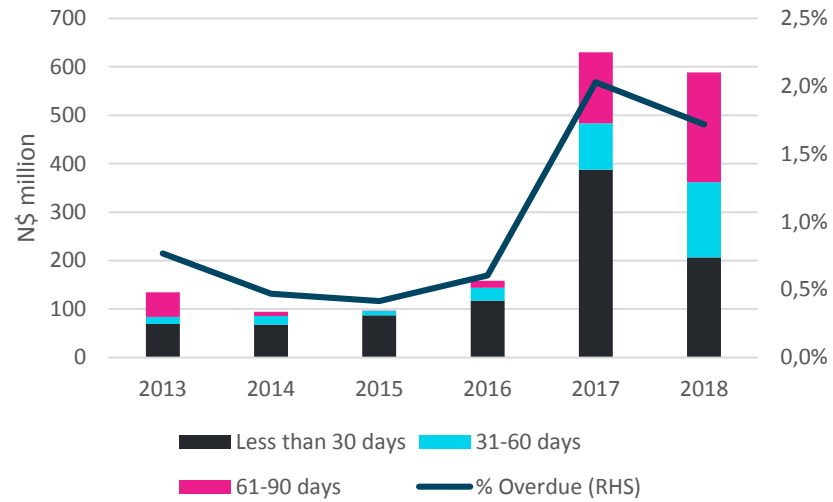


Property market concerns
Pointbreak

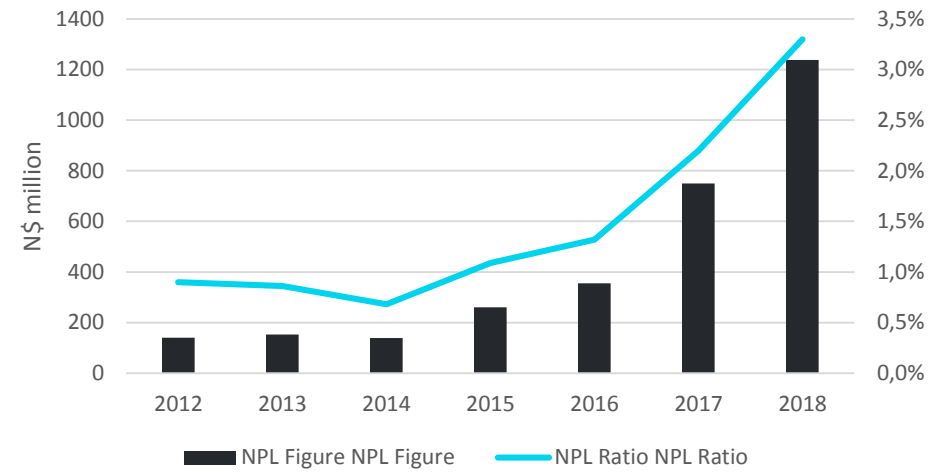


Bank Windhoek

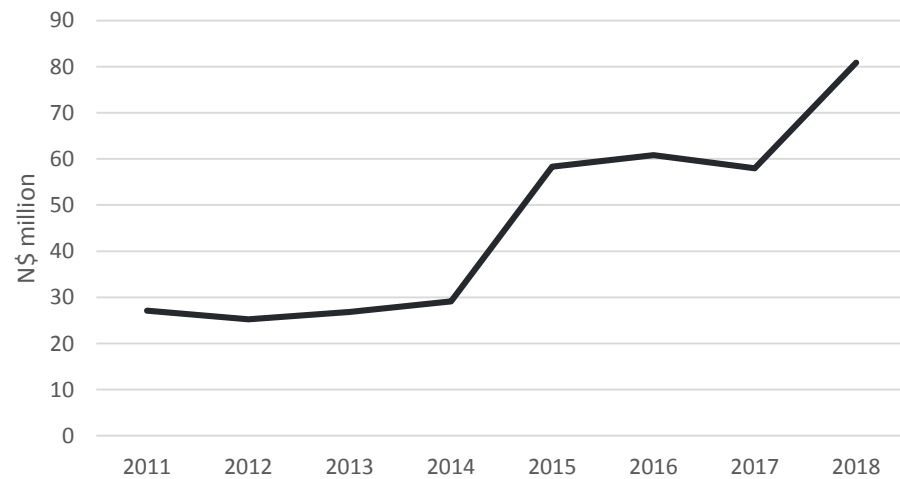
Arrears



Non-performing loans



Impairment expense

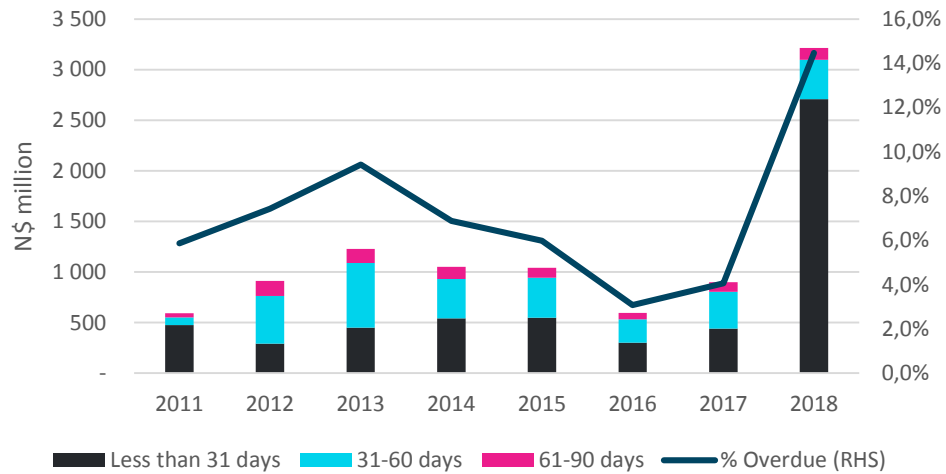


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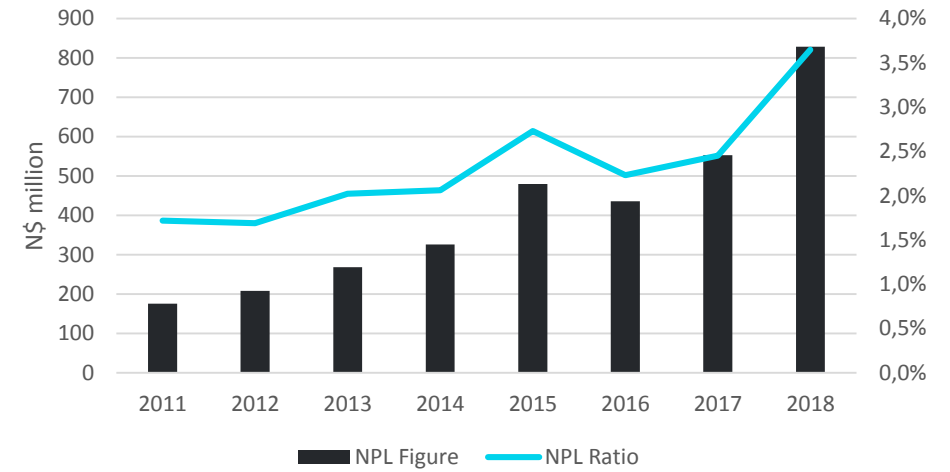


Standard Bank

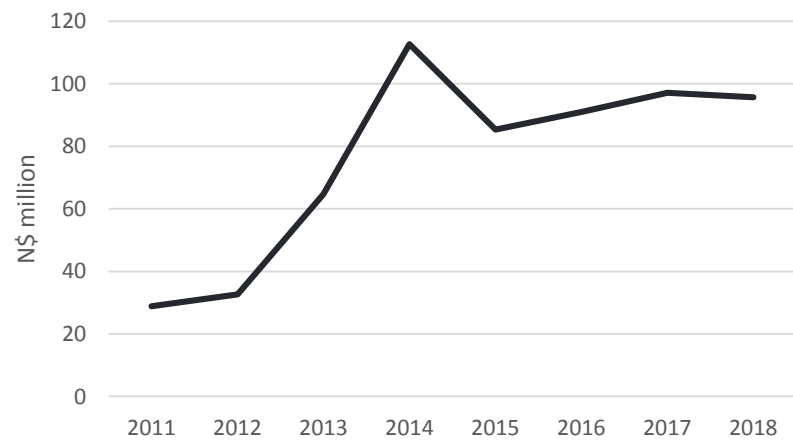
Arrears



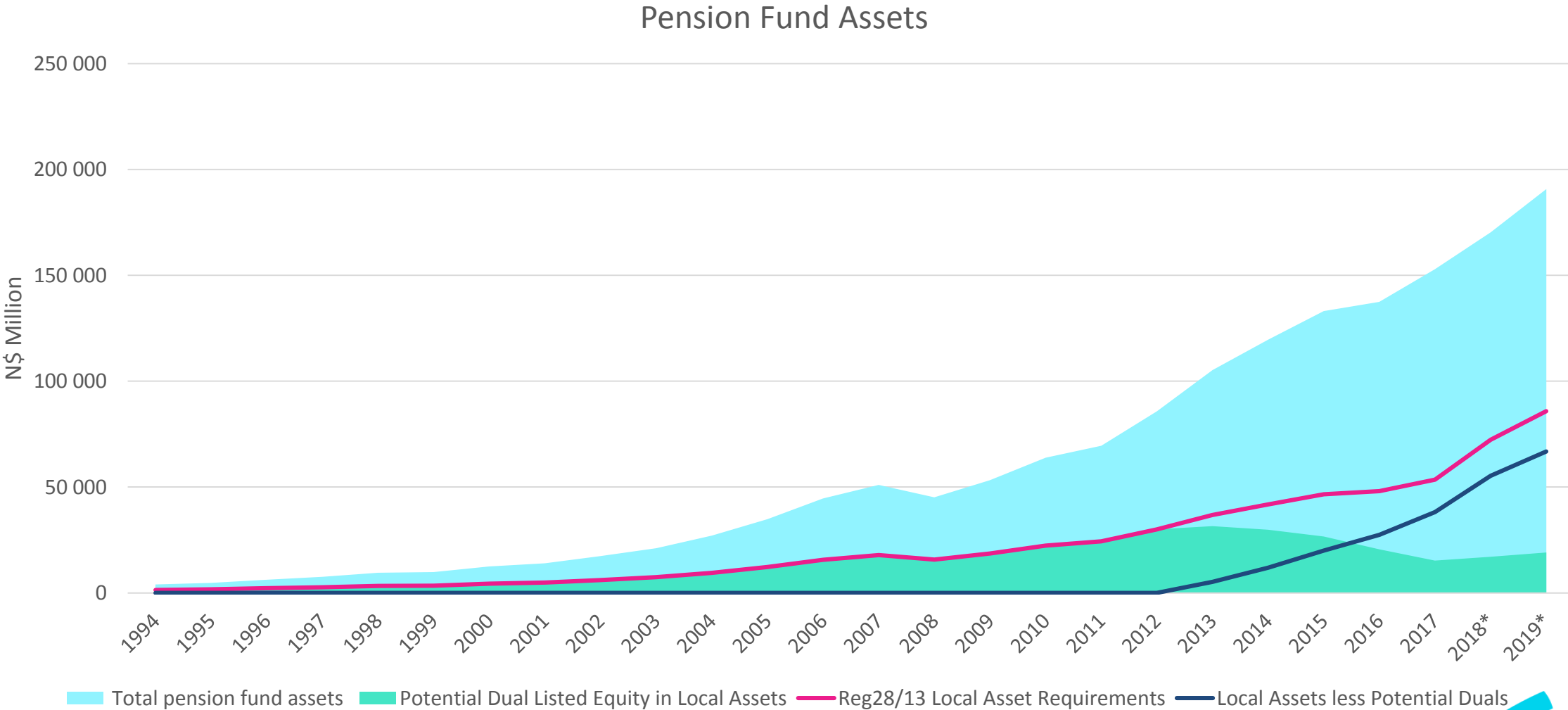
Non-performing loans



Impairment expense



Pension Fund Assets



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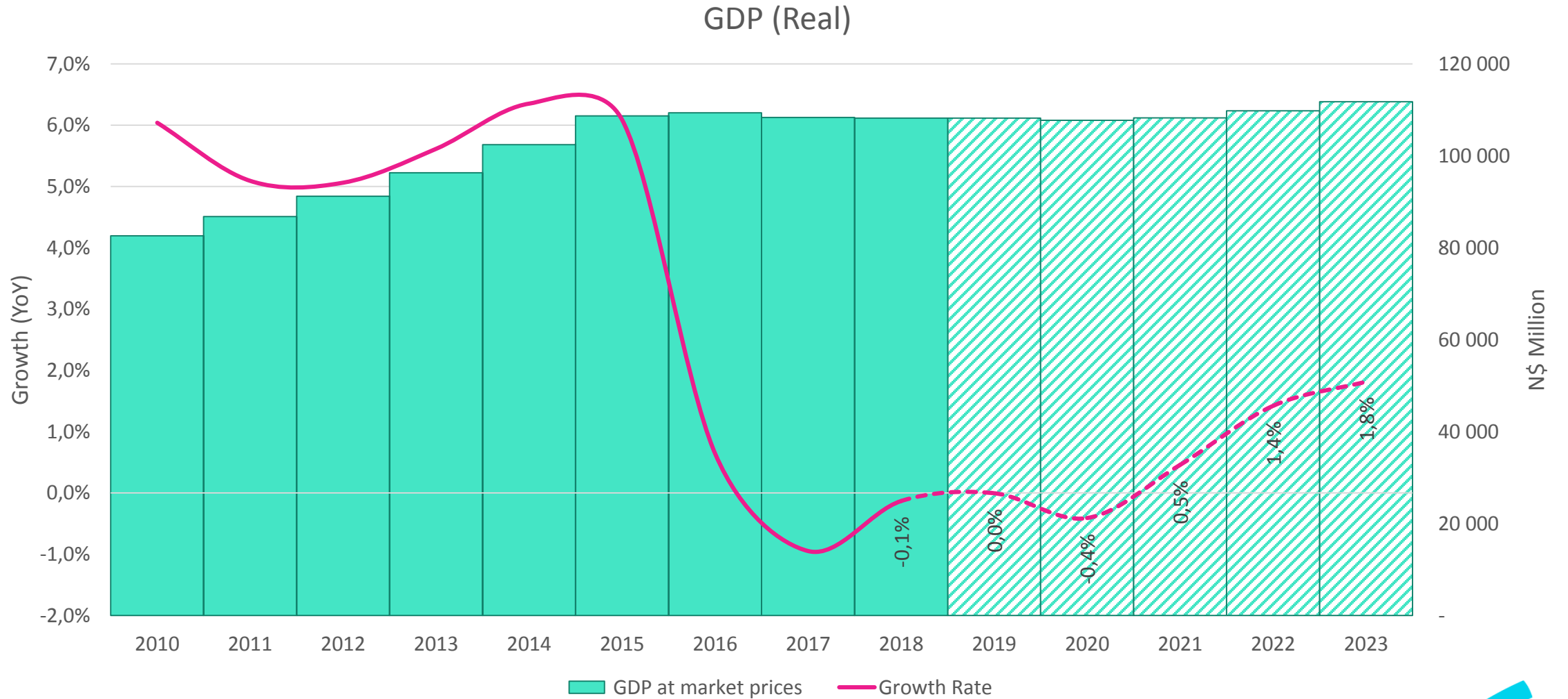




**Where to from
here?**



Slow growth recovery expected



Risks weighted to the downside

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U.S. Fed

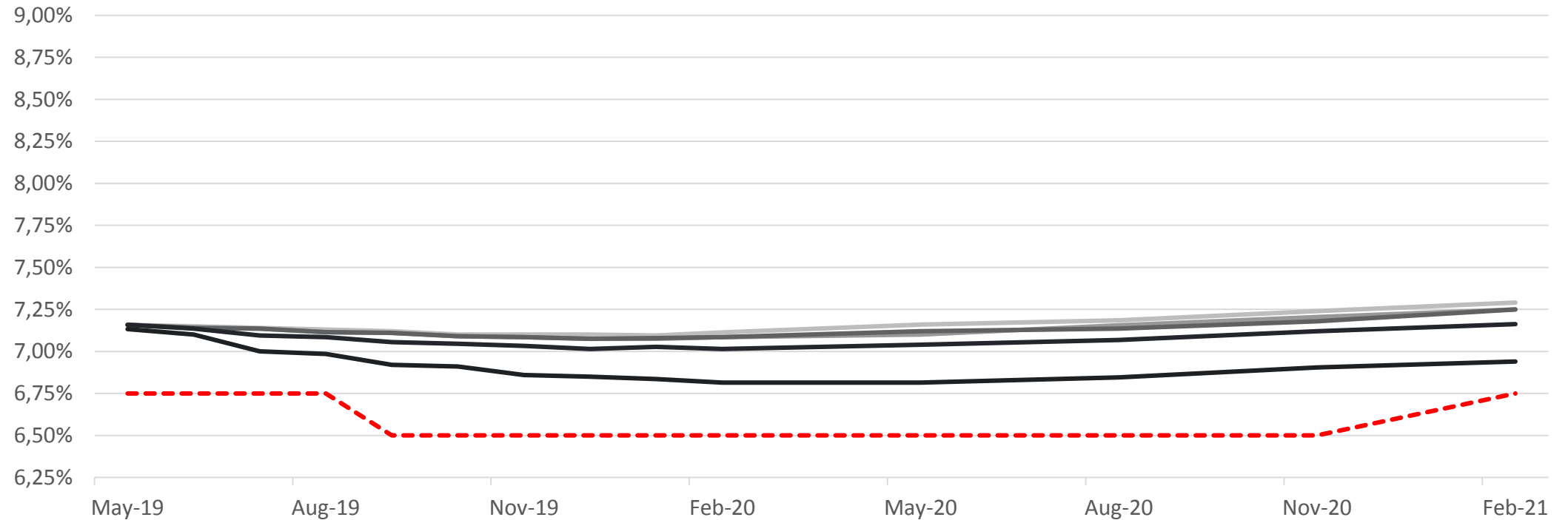
Current Implied Probabilities				3) Add/Remove Rates ▾					
Dates	<input checked="" type="radio"/> Meeting	<input type="radio"/> Calculation		Calculated 05/03/2019			Based on rate 2.25-2.50		
Meeting	Hike Prob	Cut Prob	1.25-1.5	1.5-1.75	1.75-2	2-2.25	2.25-2.5	Fwd Rate	
06/19/2019	0.0%	6.3%	0.0%	0.0%	0.0%	6.3%	93.7%	2.38	
07/31/2019	0.0%	11.9%	0.0%	0.0%	0.4%	11.6%	88.1%	2.37	
09/18/2019	0.0%	26.3%	0.0%	0.1%	2.2%	24.1%	73.7%	2.33	
10/30/2019	0.0%	33.4%	0.0%	0.3%	4.3%	28.9%	66.6%	2.30	
12/11/2019	0.0%	50.1%	0.1%	1.3%	10.5%	38.3%	49.9%	2.24	
01/29/2020	0.0%	55.6%	0.2%	2.3%	13.5%	39.6%	44.4%	2.21	

Current Implied Probabilities				3) Add/Remove Rates ▾					
Dates	<input checked="" type="radio"/> Meeting	<input type="radio"/> Calculation		Calculated 06/04/2019			Based on rate 2.25-2.50		
Meeting	Hike Prob	Cut Prob	1.25-1.5	1.5-1.75	1.75-2	2-2.25	2.25-2.5	Fwd Rate	
06/19/2019	0.0%	22.9%	0.0%	0.0%	0.0%	22.9%	77.1%	2.33	
07/31/2019	0.0%	60.7%	0.0%	0.0%	11.2%	49.5%	39.3%	2.21	
09/18/2019	0.0%	91.0%	0.0%	8.7%	40.7%	41.6%	9.0%	2.01	
10/30/2019	0.0%	94.5%	3.4%	21.1%	41.1%	28.9%	5.5%	1.92	
12/11/2019	0.0%	97.9%	14.3%	33.4%	33.6%	14.5%	2.1%	1.76	
01/29/2020	0.0%	98.6%	20.9%	33.5%	27.0%	10.2%	1.4%	1.68	
03/18/2020	0.0%	99.0%	24.2%	31.8%	22.6%	7.9%	1.0%	1.61	
04/29/2020	0.0%	99.2%	25.6%	30.1%	19.9%	6.6%	0.8%	1.56	
06/10/2020	0.0%	99.3%	26.4%	28.2%	17.4%	5.6%	0.7%	1.52	



FRA

FRA Curve

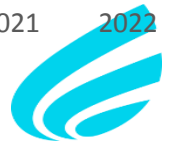
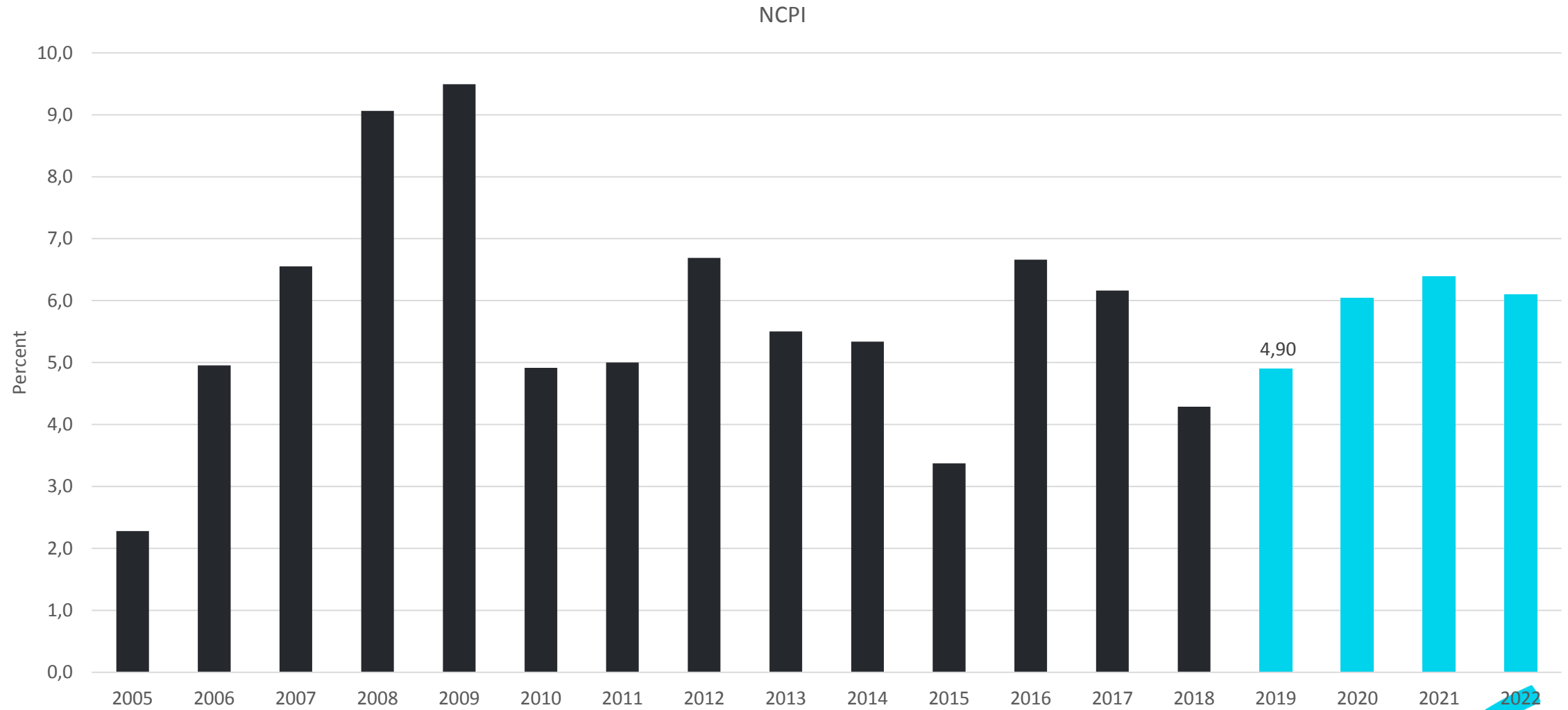


— 29-Apr-19 — 06-May-19 — 13-May-19 — 20-May-19 — 27-May-19 - - - Expected Repo Rate

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Inflation



ZAR Forecast



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C I R R U S

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