IJG Namibia Monthly
May 2016

Research Analysts:

Rowland Brown
rowland@ijg.net
+264 61 383 513

Jan-Hendrik Conradie
janhendrik@ijg.net
+264 61 383 523

Eric van Zyl
eric@ijg.net
+264 61 383 530

Contents

Economic Highlights

	Level	m/m %	y/y %	52Wk High	52Wk Low
NSX Overall	987.24	-3.59	-11.86	1,135.45	766.67
NSX Local	529.17	2.75	22.99	529.17	430.24
International Markets					
JSE ALSI	53,905.21	1.79	3.13	54,760.91	45,975.78
JSE Top40	47,974.09	3.23	3.65	49,228.75	41,037.50
JSE INDI	73,978.09	5.93	11.74	74,850.85	59,306.06
JSE FINI	15,138.03	-2.18	-8.74	17,761.79	13,235.88
JSE RESI	31,349.65	-2.65	-25.21	42,567.68	21,997.38
JSE GOLD	1,911.04	-10.72	72.07	2,279.77	740.81
JSE BANKS	6,299.66	-3.98	-18.29	8,176.34	5,057.18
International Markets					
Dow Jones	17,787.20	0.08	-1.24	18,188.81	15,370.33
S&P 500	2,096.96	1.53	-0.49	2,132.82	1,810.10
NASDAQ	4,948.06	3.62	-2.41	5,231.94	4,209.76
US Bond	2.65	-1.13	-8.12	3.12	2.61
FTSE 100	6,230.79	-0.18	-10.79	6,873.43	5,499.51
DAX	10,262.74	2.23	-10.08	11,802.37	8,699.29
Hang Seng	20,815.09	-1.20	-24.10	27,646.72	18,278.80
Nikkei	17,234.98	3.41	-16.19	20,952.71	14,865.77
Currencies					
N$/US$	15.71	10.39	29.26	17.92	12.05
N$/£	22.75	9.42	22.44	26.02	18.98
N$/€	17.49	7.33	30.98	19.59	13.37
N$/AU$	11.36	4.95	22.29	12.43	9.08
N$/CAD$	12.00	5.84	22.93	12.62	9.47
€/US$	1.11	-2.79	1.33	1.17	1.05
US$/¥	110.73	3.97	-10.81	125.28	105.55
Commodities					
Brent Crude - US$/barrel	49.89	4.50	-28.47	69.85	30.70
Gold - US/Troy oz.	1,215.33	-6.01	2.08	1,303.82	1,046.43
Platinum - US/Troy oz.	979.42	-9.06	-12.01	1,120.25	810.80
Copper - US/lb.	209.55	-8.23	-23.88	276.15	195.80
Silver - US/Troy oz.	16.00	-10.37	-4.50	18.01	13.65
Uranium - US/lb.	27.25	-1.38	-22.32	36.75	27.25
Namibia Fixed Interest					
IJG ALBI	144.06	-0.28	4.99	144.53	133.23
IJG Money Market Index	159.67	0.62	6.88	159.67	149.40
Namibia rates					
Bank	7.00	0bp	75bp	7.00	6.25
Prime	10.75	0bp	75bp	10.75	10.00
South Africa rates					
Bank	7.00	0bp	125bp	7.00	5.75
Prime	10.50	0bp	125bp	10.50	9.25

Source: IJG, NSX

IJG/IPPR Business Climate Index

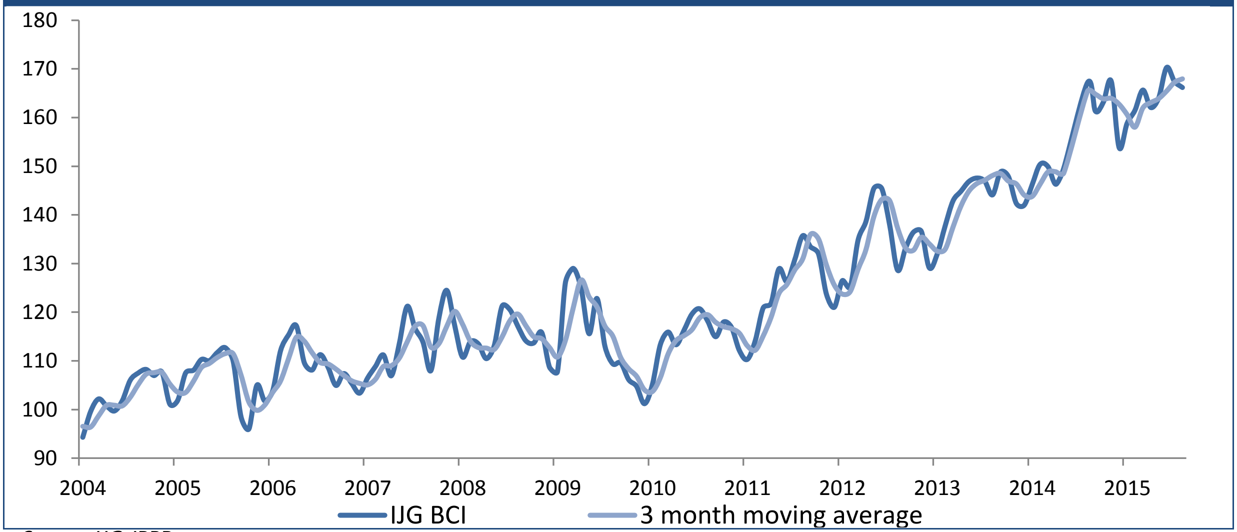
The IJG Business Climate Index fell a further 1.2 points in December following the 2.9 point fall in November, taking it to a level of 166.2 points. The decline was largely driven by a large decrease in the building plans sub-index, which fell due to no recorded building plans being completed in December.

December was a rocky month for the region as the finance minister debacle in South Africa (which saw three finance ministers in office in the space of less than a week) and the collapse of already waning confidence in the country drove a major retreat in the rand vis-à-vis major currencies, as well as a notable blow-out in fixed income yields and a weakening of equity markets. The rand depreciation particularly has a negative bearing on Namibia, as the country remains a net importer of goods meaning that rand weakness generally drives deterioration in the country's terms of trade.

	Dec-15	Nov-15	Dec-14
Business Climate Index	**166.2**	167.4	**169.6**
3-month moving average	**168.0**	167.2	**167.8**
Investment Index	**271.7**	280.4	**264.0**
Consumption Index	**121.0**	117.5	**130.4**
Export Index	**148.6**	144.4	**139.7**

Source: IJG, IPPR

IJG Business Climate Index



Source: IJG, IPPR

Public Debt Securities

Effective yields (EY) for treasury bills (TB's) decreased during May, with the 91-day TB yield unchanged at 7.991%, the 182-day TB yield decreasing to 8.419%, the 273-day TB yield decreasing to 8.854%, and the 365-day TB yield decreasing to 8.843%. A total of N$13.14bn or 39.54% of the Government's domestic maturity profile is in TB's as at 31 May 2016, with 7.61% in 91-day TB's, 18.84% in 182-day TB's, 31.00% in 273-day TB's and 42.55% in 364-day TB's.

Namibian bond premiums relative to SA yields in May were largely unchanged with the GC17 premium unchanged at 64bp; the GC18 premium unchanged at 88bp; the GC20 premium unchanged at 98bp; the GC21 unchanged at 110bp; the GC22 premium weakening by 2bp to 98bp; the GC24 premium unchanged at 105bp; the GC25 premium unchanged at 119bp; the GC27 premium weakening by 12bp to 138bp; the GC30 premium strengthening by 1bp to 128bp; the GC32 premium weakening by 1bp to 141bp; the GC35 premium unchanged at 131bp; the GC37 unchanged at 137bp; the GC40 premium weakening by 7bp to 127bp; and the GC45 strengthening by 1bp to 135bp.

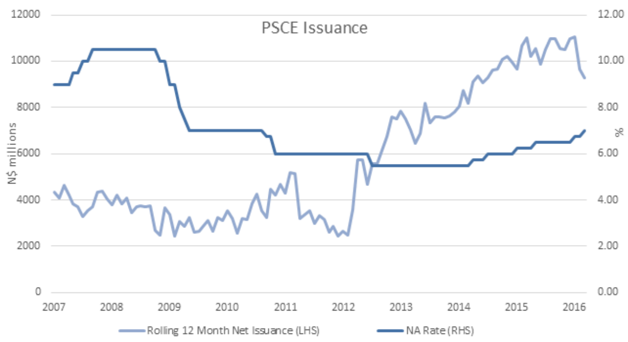
Private Sector Credit Extension

Total credit extended to the private sector increased by N$241.8 million or 0.29%, in April, taking total credit outstanding to N$83.9 billion. On an annual basis PSCE growth increased by 12.4% in April compared to 13.0% in March. A total of N$9.3 billion worth of credit has been approved over the last 12 months with N$1.8 billion worth of credit being approved in 2016 thus far. Of this N$9.3 billion worth of credit issued during the last 12 months, approximately N$3.8 billion was taken up by businesses, while N$4.9 billion was taken up by individuals.

PSCE – April 2016

Corporate versus individual growth (y/y)

	N$ m	Change in N$ m		% Change	
	Apr-16	One month	One year	Apr-16 m/m	Apr-16 y/y
Corporate	**33,394.8**	**25.2**	**3,813.3**	**0.08%**	**12.89%**
Individuals	**46,773.6**	**260.0**	**4,947.4**	**0.56%**	**11.83%**
Mortgage Loans	41,403.2	214.6	4,694.9	0.52%	12.79%
Other Loans & Advances	8,533.7	63.6	2,027.1	0.75%	31.15%
Overdraft	10,446.4	264.2	(136.1)	2.60%	-1.29%
Instalment Credit	12,014.4	(21.9)	969.7	-0.18%	8.78%
Total PSCE	**83,918.5**	**241.8**	**9,286.4**	**0.29%**	**12.44%**

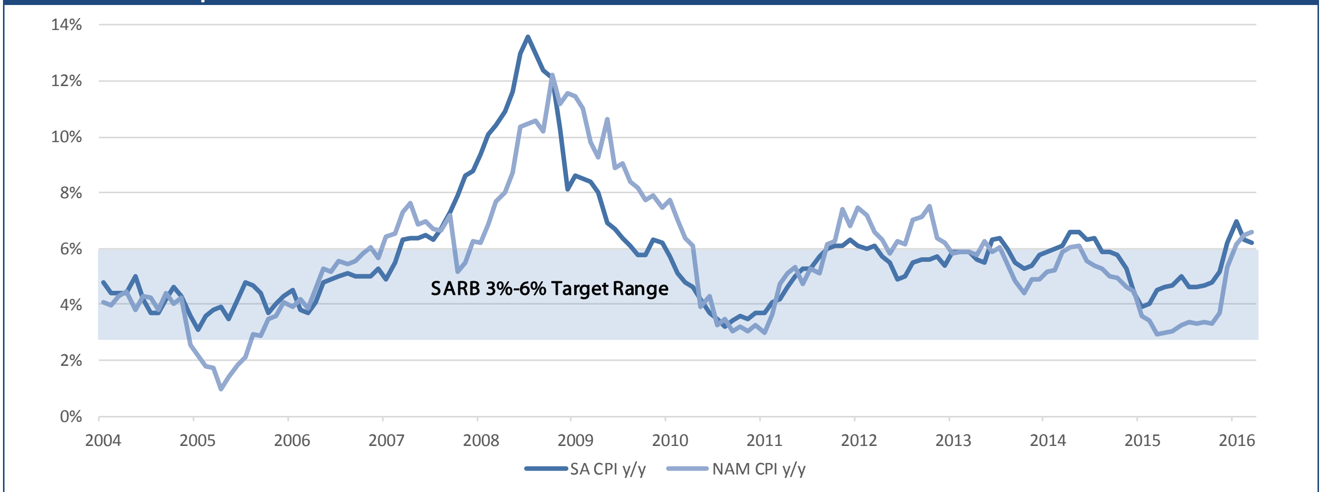


Source: BoN, IJG

Namibia CPI

The Namibian annual inflation rate increased further to 6.6% in April. On a month on month basis, prices continued to rise, up 0.6% after the 0.8% uptick seen last month. On a year on year basis, eight of the twelve basket categories grew at a quicker rate in April than in March, pushing up overall inflation. The biggest contributor to inflation on a monthly basis were price increases of food and non-alcoholic beverages once again, while on an annual basis housing and utilities price increases have contributed the most to inflation.

Namibia CPI – April 2016



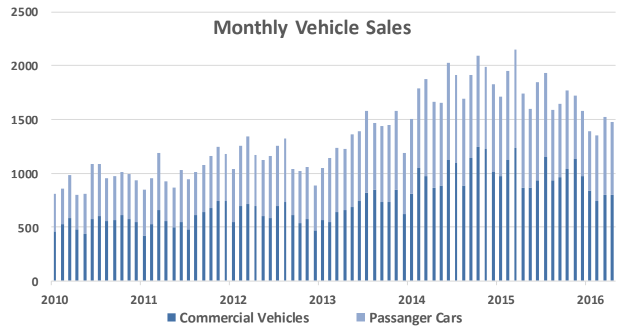
Source: NSA, StatsSA, IJG

New Vehicle Sales

A total of 1,479 new vehicles were sold during April 2016, a drop of 3.0% from the March sales of 1,525 and down 15.1% over April 2015, driven by a slowdown in both passenger and commercial vehicle sales. At this point of the year, 5,743 vehicles have been sold so far in 2016, down 24.0% on the comparable period of 2015.

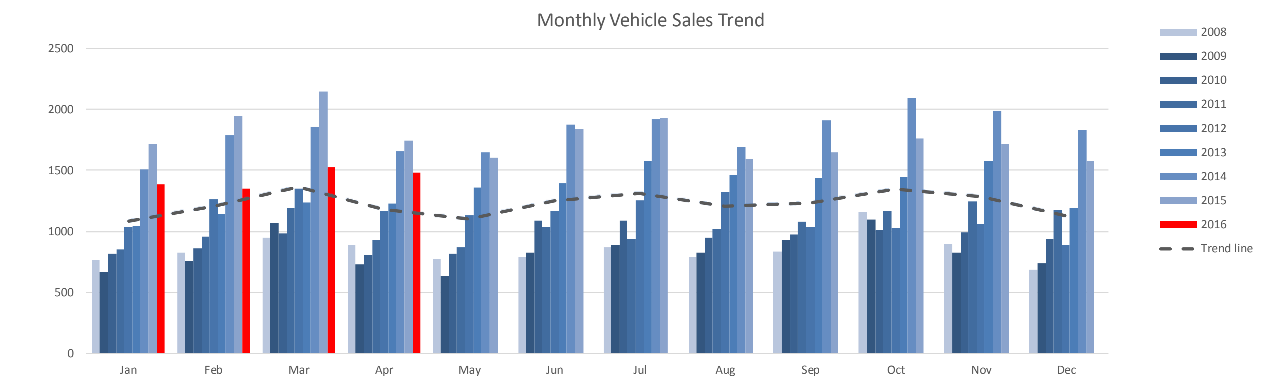
April New Vehicle Sales

Vehicle sales	Units	2016 YTD	Mar 16 y/y %	Apr 16 y/y %	Sentiment*
Passenger	680	2 560	-20.0	-21.8	×
Light Commercial	740	2 927	-32.8	-4.8	✓
Medium Commercial	22	105	-55.0	-40.5	✓
Heavy Commercial	37	151	-57.0	-36.2	✓
Total	**1 479**	**5 743**	**-29.1**	**-15.1**	✓



Source: Naamsa, IJG
**Sentiment describes the y/y movement*

Motor Vehicle Sales Trend



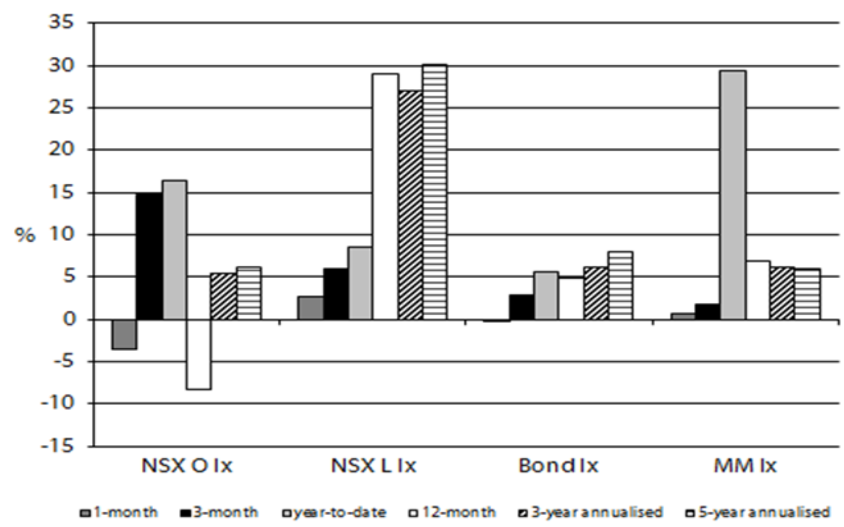
Source: Naamsa, IJG

Namibian Asset Performance

The NSX Overall Index closed at 987.24 points in May, down from 1,023.96 points in April, losing 3.58% on a total return basis in May compared to a 4.13% m/m increase in April. The NSX Local Index increased 2.75% m/m compared to a 2.26% m/m increase in April. Over the last 12 months the NSX Overall Index returned -8.32% against +29.00% for the Local Index. The best performing share on the Overall Index in March was Mediclinic at +5.74%, while Barloworld was the worst performer at -14.0%.

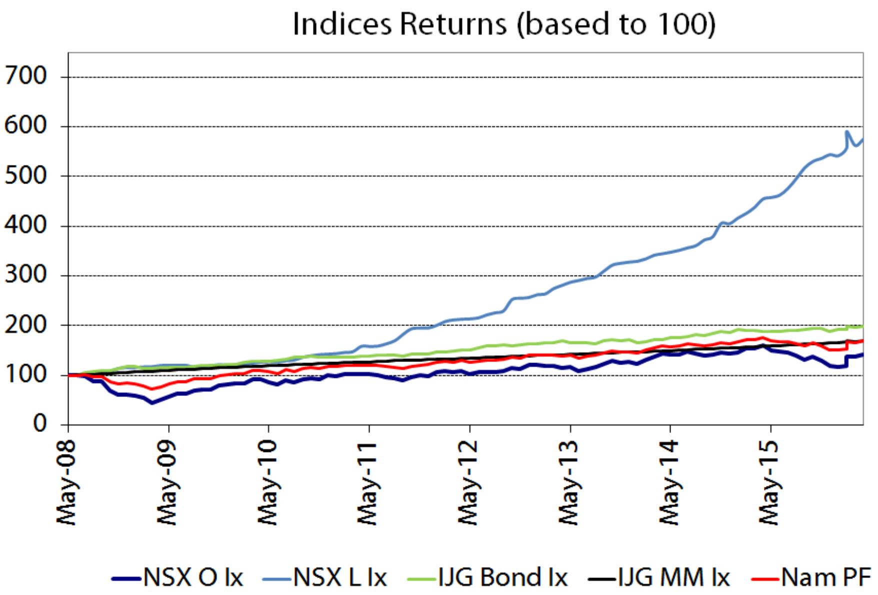
The IJG All Bond Index (including Corporate Bonds) fell 0.28% m/m in May after gaining 1.27% m/m in April. The IJG Money Market Index (including NCD's) increased by 0.62% m/m in May after rising 0.59% m/m in April.

Performance by Asset Class



Source: IJG

Indices Returns (based to 100)



Source: IJG

Namibian Returns by Asset Class [N$,%] - May 2016	1 month	3 month	6 month	12 month	year-to-date	3 years*	5 years*
NSX Overall Index	-3.58	14.75	6.63	-8.32	16.38	5.37	6.21
NSX Local Index	2.75	5.96	10.12	29.00	8.62	27.12	30.08
IJG ALBI	-0.28	2.87	2.30	4.99	5.64	6.23	8.05
IJG GOVI	-0.29	2.86	2.29	4.90	5.67	6.29	8.01
IJG OTHI	-0.10	2.89	2.47	5.83	5.43	6.10	8.40
IJG Money Market Index	0.62	1.81	3.52	6.88	2.95	6.15	5.99

** annualised*
Source: IJG

Namibian Returns by Asset Class [US$,%] - May 2016	1 month	3 month	6 month	12 month	year-to-date	3 years*	5 years*
US$ Strength/(Weakness)	-9.42	1.02	-8.02	-22.64	-0.95	-13.72	-15.41
NSX Overall Index	-12.67	15.91	-1.92	-29.08	15.27	-9.08	-10.16
NSX Local Index	-6.93	7.04	1.29	-0.21	7.58	9.67	10.02
IJG ALBI	-9.67	3.92	-5.90	-18.79	4.64	-8.34	-8.61
IJG GOVI	-9.69	3.91	-5.92	-18.86	4.66	-8.30	-8.64
IJG OTHI	-9.51	3.93	-5.75	-18.14	4.42	-8.46	-8.31
IJG Money Market Index	-9.82	1.77	-5.78	-18.19	-47.54	-8.74	-10.54

** annualised*
Source: IJG

Equities

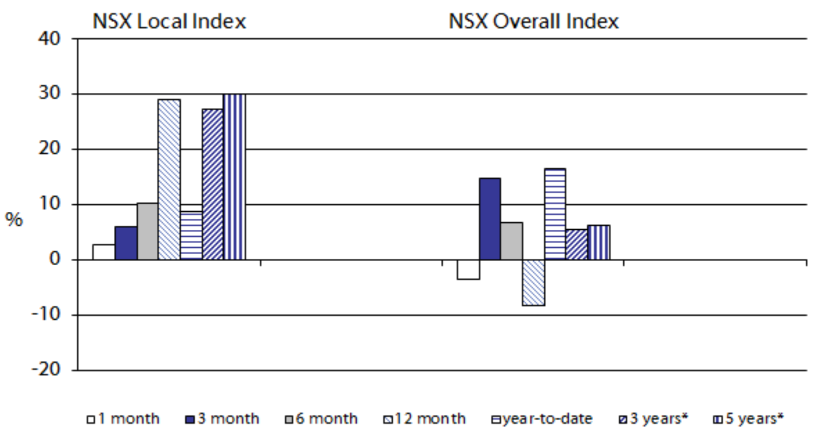
Please note that we have changed the calculation methodology for returns for the NSX Overall and the NSX Local Indices effective 1 February 2010. The new methodology calculates the returns based on the FTSE/JSE total return indices.

Index Total Returns [N$, %] - May 2016

	Code	1 month	3 month	6 month	12 month	ytd	3 years*	5 years*
NSX Local Index	N099	2.75	5.96	10.12	29.00	8.62	27.12	30.08
NSX Overall Index	N098	-3.58	14.75	6.63	-8.32	16.38	5.37	6.21

Source: IJG, JSE

Index Total Returns [N$] – May 2016



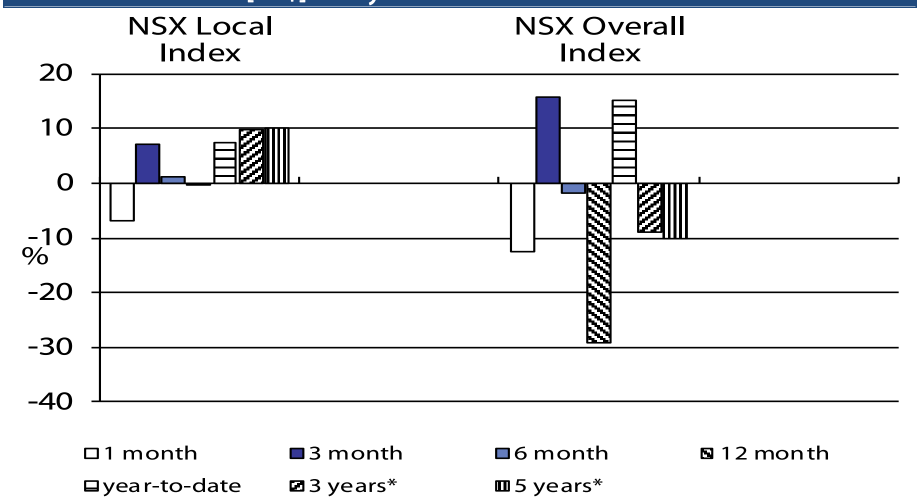
**annualised*
Source: IJG

Index Total Returns [US$, %] - May 2016

	Code	1 month	3 month	6 month	12 month	ytd	3 years*	5 years*
US$ /N$ Strength (Weakness)		-9.42	1.02	-8.02	-22.64	-0.95	-13.72	-15.41
NSX Local Index	N099	-6.93	7.04	1.29	-0.21	7.58	9.67	10.02
NSX Overall Index	N098	-12.67	15.91	-1.92	-29.08	15.27	-9.08	-10.16

Source: IJG, JSE

Index Total Returns [US$] – May 2016



** annualised*
Source: IJG

Individual Equity Total Returns [N$,%] May 2016

	Month end price (c)	NSX FF Market Cap Weight	1 month	3 month	6 month	12 month	year-to-date
FINANCIALS			-1.31	10.03	-3.45	-7.44	5.01
banks			-2.82	7.25	-3.83	-15.41	7.70
BWH	1,720	0.16%	1.71	2.09	8.63	14.27	2.60
FST	4,324	11.50%	-4.92	-0.84	-4.99	-12.41	4.89
FNB*	4,750	0.27%	4.75	6.69	11.54	52.29	11.02
NBK	17,900	3.03%	-1.20	-0.38	-12.84	-21.95	-2.93
SNB	12,515	13.34%	-1.58	16.04	-1.24	-18.23	12.54
insurance			-3.08	15.01	9.32	8.76	21.51
SNM	22,693	0.67%	-3.08	15.01	9.32	8.76	21.51
life assurance			0.25	12.95	-2.79	-0.91	2.54
MMI	2,250	2.02%	-4.63	-2.40	-2.45	-23.20	4.45
OLM	4,055	16.84%	4.62	9.53	-8.52	2.51	-1.14
SLA	6,455	9.95%	-6.16	21.84	6.85	-2.18	8.37
investment companies			0.00	0.00	1.39	31.15	0.00
NAM*	73	0.01%	0.00	0.00	1.39	31.15	0.00
real estate			-1.03	9.04	-2.93	-1.26	3.32
ORY*	2,112	0.09%	0.50	3.02	7.55	19.87	5.84
VKN	1,711	0.89%	-1.18	9.67	-4.01	-3.44	3.06
specialist finance			-1.60	5.74	-9.40	1.17	-0.96
IVD	10,836	2.38%	-1.14	5.68	-9.28	1.05	-0.24
KFS	710	0.21%	-4.94	3.63	-9.60	0.00	-8.34
TUC	367	0.10%	-5.74	11.70	-11.89	6.78	-2.98
HEALTH CARE			5.74	7.89	72.74	0.00	66.93
health care providers			5.74	7.89	72.74	0.00	66.93
MDC	19,864	8.54%	5.74	7.89	72.74	0.00	66.93
RESOURCES			-10.93	36.84	62.85	-19.35	101.92
mining			-10.95	37.23	63.41	-19.75	102.74
ANM	13,969	16.21%	-11.67	36.18	63.15	-23.61	106.53
PDN	259	0.28%	-13.67	-13.67	-19.81	-14.24	-22.46
FSY	78	0.01%	-18.75	-30.97	-49.68	-60.00	-48.34
DYL	6	0.01%	-25.00	-40.00	-40.00	-40.00	-45.45
BMN	35	0.01%	9.38	-5.41	-20.45	-27.08	-16.67
MEY	4	0.00%	0.00	0.00	0.00	0.00	0.00
B2G	2,928	0.99%	1.67	70.43	93.14	42.20	79.08
EOG	124	0.01%	0.00	-52.38	10.40	10.96	-34.59
chemicals			-8.78	0.69	10.60	17.83	24.57
AOX	1,600	0.19%	-8.78	0.69	10.60	17.83	24.57
INDUSTRIAL			-4.48	10.32	12.44	7.92	15.12
GENERAL INDUSTRIALS							
diversified industrials			-14.03	-0.80	-5.60	-25.34	16.00
BWL	7,050	1.36%	-14.03	11.28	-5.60	-25.34	16.00
Suppport Services			-0.04	0.29	0.47	0.12	0.42
BVN*	1,050	0.05%	0.43	1.31	2.52	0.65	2.28
CLN	1,686	0.20%	-9.94	3.71	0.00	0.00	-0.83
NON-CYCLICAL CONSUMER GOODS							
beverages			4.70	11.06	13.60	28.94	12.74
NBS*	2,500	0.23%	4.70	11.06	13.60	28.94	12.74
food producers & processors			-2.53	2.59	5.29	28.46	1.41
OCG	11,700	0.35%	-2.53	2.59	5.29	28.46	1.41
CYCLICAL SERVICES							
general retailers			-6.94	16.13	6.58	18.79	10.11
NHL*	240	0.00%	0.00	-4.55	-4.55	n/a	-12.50
TRW	9,857	3.68%	-6.95	16.14	6.58	18.80	10.12
NON-CYCLICAL SERVICES							
food & drug retailers			-1.50	9.82	20.06	6.96	18.73
SRH	16,833	6.44%	-1.50	9.82	20.06	6.96	18.73

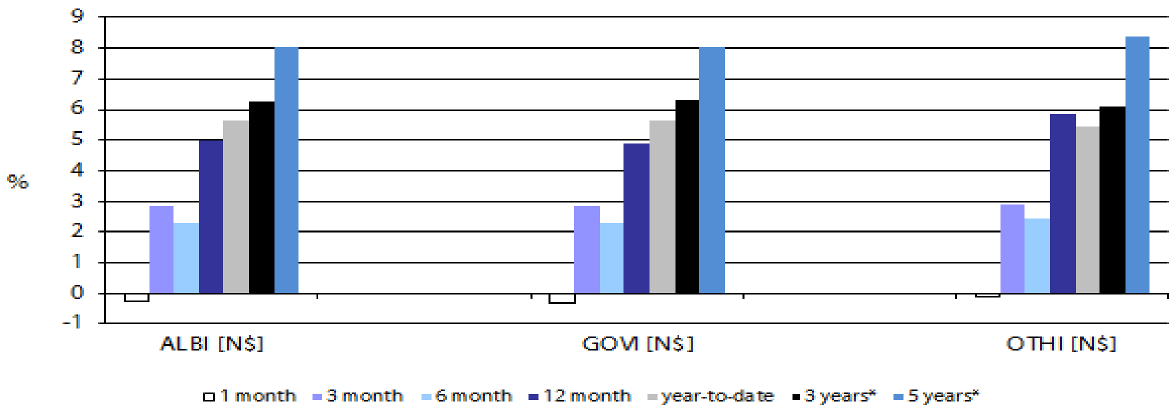
Source: IJG, NSX, JSE, Bloomberg

Bonds

Bond Performance Index Total Returns (%) - as at May 2016	1 month	3 month	6 month	y/y	ytd	3 years*	5 years*
ALBI [N$]	-0.28	2.87	2.30	4.99	5.64	6.23	8.05
GOVI [N$]	-0.29	2.86	2.29	4.90	5.67	6.29	8.01
OTHI [N$]	-0.10	2.89	2.47	5.83	5.43	6.10	8.40

*annualised
Source: IJG

Bond Performance, Index Total Return (%) - as at May 2016

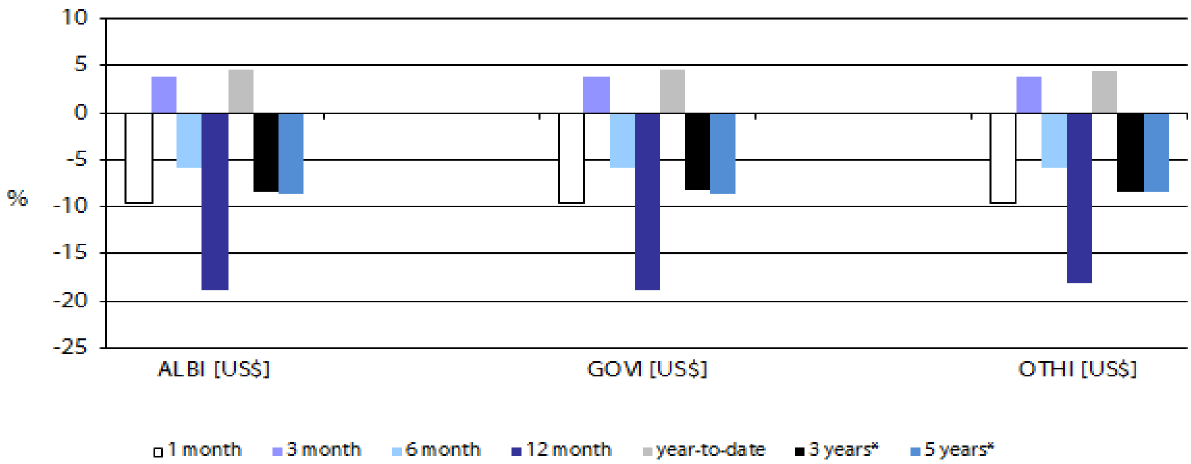


*annualised
Source: IJG

Bond Performance, Index Total Returns (US$- terms), (%) - as at May 2016	1 month	3 month	6 month	12 month	year-to-date	3 years*	5 years*
ALBI [US$]	-9.67	3.92	-5.90	-18.79	4.64	-8.34	-8.61
GOVI [US$]	-9.69	3.91	-5.92	-18.86	4.66	-8.30	-8.64
OTHI [US$]	-9.51	3.93	-5.75	-18.14	4.42	-8.46	-8.31
N$/US$	-9.42	1.02	-8.02	-22.64	-0.95	-13.72	-15.41

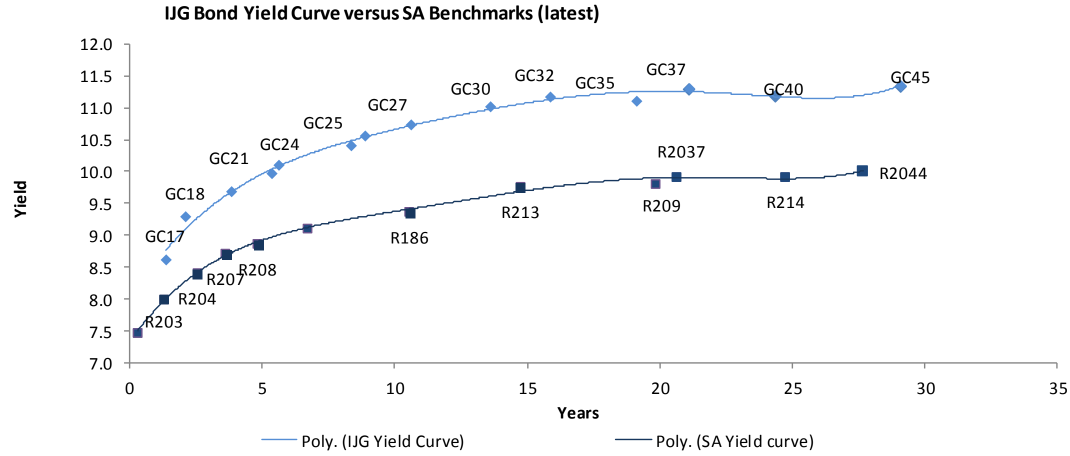
*annualised
Source: IJG

Bond Performance, Index Total Return (US$ - terms) (%) - as at May 2016

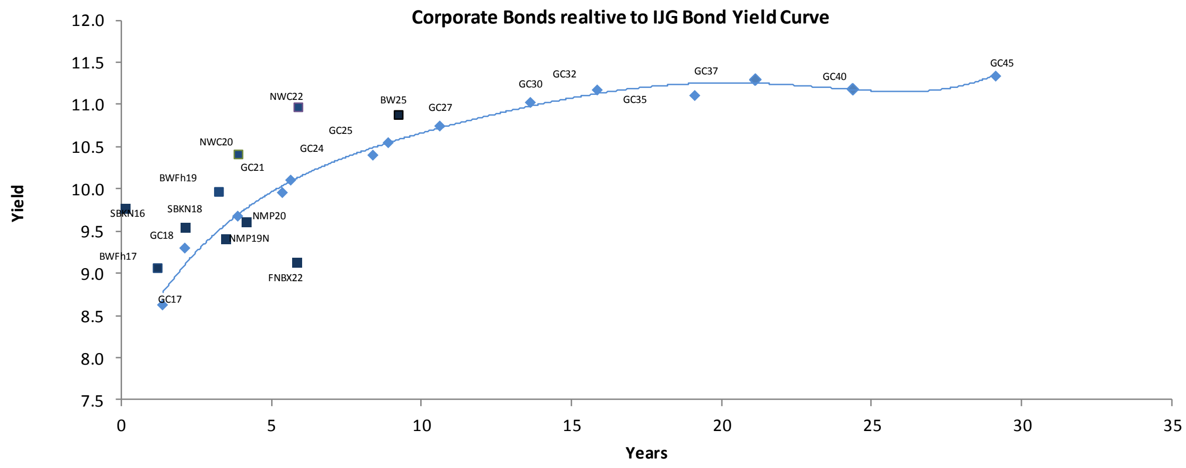


*annualised
Source: IJG

Namibian vs. South African Yield Curve



IJG Bond Yield Curve



Source: IJG

Bond Maturity Profile

	Benchmark	Maturity Date	Coupon Rate	Modified Duration
GC17	R203	15/10/2017	8.00%	1.26
GC18	R204	15/07/2018	9.50%	1.82
GC20	R207	15/04/2020	8.25%	3.19
GC21	R208	15/10/2021	7.75%	4.19
GC22	R2023	15/01/2022	8.75%	4.16
GC24	R186	15/10/2024	10.50%	5.42
GC25	R186	15/04/2025	8.50%	5.85
GC27	R186	15/01/2027	8.00%	6.41
GC30	R213	15/01/2030	8.00%	7.18
GC32	R213	15/04/2032	9.00%	7.58
GC35	R213	15/07/2035	9.50%	7.77
GC37	R2037	15/07/2037	9.50%	7.89
GC40	R214	15/10/2040	9.80%	8.36
GC45	R2044	15/07/2045	9.85%	8.25

Source: IJG, BoN

IJG Namibia ALBI - as at May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
ALBI	144.06	144.46	140.05	140.82	137.22
GOVI	144.11	144.54	140.10	140.89	137.38
OTHI	144.37	144.52	140.32	140.89	136.41
Modified Duration IJG ALBI	3.06	3.14	3.18	3.41	3.76
Modified Duration IJG GOVI	3.08	3.19	3.22	3.45	3.81
Modified Duration IJG OTHI	2.88	2.64	2.77	2.96	3.31
weight GOVI [%]	90.32	90.79	90.71	90.59	90.62
weight OTHI [%]	9.68	9.21	9.29	9.41	9.38

Source: IJG

IJG Namibia ALBI - Rate Duration (years) as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
GC17	GC17	GC17	GC17	GC17
1.26	1.35	1.45	1.69	2.11
GC18	GC18	GC18	GC18	GC18
1.82	1.91	2.06	2.21	2.58
GC21	GC21	GC21	GC21	GC21
4.19	4.29	4.25	4.53	4.86
GC24	GC24	GC24	GC24	GC24
5.42	5.55	5.38	5.70	5.97
BW25	FNBX22	FNBX22	FNBX22	FNBX22
3.27	0.85	0.97	1.22	1.64
BWFh17	BWFh17	BWFh17	BWFh17	BWFh17
1.12	1.20	1.36	1.55	1.96
NMP19N	NMP19N	NMP19N	NMP19N	NMP19N
2.85	2.80	2.95	3.21	3.55
NMP20	NMP20	NMP20	NMP20	NMP20
3.26	3.35	3.50	3.60	3.92

Source: IJG

IJG Namibia ALBI -Weights [%] as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
GC17	GC17	GC17	GC17	GC17
18.88	18.84	19.85	19.33	19.14
GC18	GC18	GC18	GC18	GC18
33.22	33.18	31.64	32.39	32.29
GC21	GC21	GC21	GC21	GC21
11.02	11.12	11.53	11.49	11.62
GC24	GC24	GC24	GC24	GC24
27.21	27.65	27.69	27.38	27.56
BW25	FNBX22	FNBX22	FNBX22	FNBX22
1.59	0.98	1.04	1.01	1.00
BWFh17	BWFh17	BWFh17	BWFh17	BWFh17
1.30	1.29	1.31	1.33	1.31
NMP19N	NMP19N	NMP19N	NMP19N	NMP19N
2.26	2.38	2.39	2.35	2.36
NMP20	NMP20	NMP20	NMP20	NMP20
4.53	4.56	4.56	4.72	4.72

Source: IJG

IJG Namibia OTHI -Weights [%] as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
BW25	FNBX22	FNBX22	FNBX22	FNBX22
16.40	10.67	11.21	10.72	10.65
BWFh17	BWFh17	BWFh17	BWFh17	BWFh17
13.41	14.05	14.09	14.09	13.96
NMP19N	NMP19N	NMP19N	NMP19N	NMP19N
23.37	25.80	25.68	25.02	25.11
NMP20	NMP20	NMP20	NMP20	NMP20
46.82	49.48	49.02	50.17	50.28

Source: IJG

IJG Namibia GOVI - Weights [%] as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
GC17	GC17	GC17	GC17	GC17
20.90	20.75	21.88	21.34	21.12
GC18	GC18	GC18	GC18	GC18
36.78	36.55	34.88	35.76	35.64
GC21	GC21	GC21	GC21	GC21
12.20	12.25	12.71	12.68	12.83
GC24	GC24	GC24	GC24	GC24
30.12	30.46	30.53	30.22	30.41

Source: IJG

IJG Namibia ALBI - Yields [%] as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
GC17	GC17	GC17	GC17	GC17
8.64	8.45	8.95	8.00	7.79
GC18	GC18	GC18	GC18	GC18
9.30	9.06	9.55	8.60	8.29
GC21	GC21	GC21	GC21	GC21
9.97	9.62	10.17	9.24	8.60
GC24	GC24	GC24	GC24	GC24
10.42	10.01	10.48	9.71	9.16
BW25	FNBX22	FNBX22	FNBX22	FNBX22
10.87	8.95	9.45	8.50	8.29
BWFh17	BWFh17	BWFh17	BWFh17	BWFh17
9.07	8.88	9.39	8.44	8.22
NMP19N	NMP19N	NMP19N	NMP19N	NMP19N
9.43	9.19	9.68	8.73	8.42
NMP20	NMP20	NMP20	NMP20	NMP20
9.62	9.29	9.82	8.89	8.57

Source: IJG

IJG Namibia ALBI - Premiums [bp] as at May 2016

this month	1 month ago	3 months ago	6 months ago	12 months ago
GC17	GC17	GC17	GC17	GC17
64	64	64	64	64
GC18	GC18	GC18	GC18	GC18
88	88	85	85	85
GC21	GC21	GC21	GC21	GC21
110	110	110	110	83
GC24	GC24	GC24	GC24	GC24
105	105	108	112	101
BW25	FNBX22	FNBX22	FNBX22	FNBX22
200	50	50	50	50
BWFh17	BWFh17	BWFh17	BWFh17	BWFh17
107	107	107	107	107
NMP19N	NMP19N	NMP19N	NMP19N	NMP19N
13	13	13	13	13
NMP20	NMP20	NMP20	NMP20	NMP20
90	90	90	90	90

Source: IJG

Money Market (Including NCD's)

Effective April 2010 we have changed the methodology to calculate Money Market returns to include NCDs. For more information please refer to BBN IJG Money Market Index – **Extending Local Performance Measures.**

IJG Money Market Index [average returns] - as at May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
Money Market Index	159.67	158.69	156.84	154.24	149.40
Call Index	146.73	146.07	144.82	143.02	139.63
3-month NCD Index	155.75	154.84	153.11	150.70	146.24
6-month NCD Index	159.84	158.85	156.97	154.34	149.33
12-month NCD Index	163.40	162.35	160.36	157.54	152.25
NCD Index *including call*	159.40	158.42	156.57	153.95	149.09
3-month TB Index	159.51	158.49	156.53	153.87	149.17
6-month TB Index	161.95	160.88	158.86	156.10	151.03
12-month TB Index	162.90	161.88	159.95	157.27	152.23
TB Index *including call*	159.91	158.93	157.08	154.52	149.74

Source: IJG

IJG Money Market Index [single returns] - as at May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
Money Market Index	158.98	157.94	155.91	153.04	148.07
Call Index	146.73	146.07	144.82	143.02	139.63
3-month NCD Index	155.07	154.15	152.38	149.89	145.42
6-month NCD Index	158.95	157.93	155.96	153.17	148.16
12-month NCD Index	162.76	161.63	159.41	156.29	150.75
NCD Index *including call*	158.94	157.90	155.87	153.01	147.99
3-month TB Index	158.90	157.90	155.91	153.12	148.34
6-month TB Index	161.10	160.01	157.84	154.85	149.68
12-month TB Index	161.46	160.33	158.10	154.98	149.79
TB Index *including call*	159.91	158.93	157.08	154.52	149.74

Source: IJG

IJG Money Market Index Performance [average returns, %] - as at May 2016	this month	3 months	6 months	y/y	ytd	3* years	5* years
Money Market Index	0.62	1.81	3.52	6.88	2.95	6.15	5.99
Call Index	0.45	1.32	2.60	5.08	2.16	4.83	4.81
3-month NCD Index	0.59	1.73	3.35	6.50	2.81	2.33	4.05
6-month NCD Index	0.62	1.83	3.56	7.04	2.98	2.69	4.15
12-month NCD Index	0.65	1.90	3.72	7.32	3.10	2.81	4.35
NCD Index including call	0.62	1.81	3.54	6.92	2.96	2.23	3.86
3-month TB Index	0.64	1.90	3.67	6.93	3.09	6.22	5.99
6-month TB Index	0.67	1.95	3.75	7.23	3.14	6.49	6.21
12-month TB Index	0.63	1.84	3.58	7.01	3.00	6.24	6.08
TB Index including call	0.62	1.80	3.49	6.79	2.93	6.11	5.93

Source: IJG

IJG Money Market Index Performance [single returns, %] - as at May 2016	1 month	3 months	6 months	y/y	ytd	3* years	5* years
Money Market Index	0.66	1.97	3.88	7.37	3.25	6.47	6.12
Call Index	0.45	1.32	2.60	5.08	2.16	4.83	4.81
3-month NCD Index	0.60	1.77	3.45	6.63	2.89	2.37	3.81
6-month NCD Index	0.65	1.92	3.77	7.29	3.16	2.58	4.10
12-month NCD Index	0.70	2.10	4.14	7.97	3.47	2.74	4.34
NCD Index including call	0.66	1.97	3.87	7.40	3.25	2.58	4.10
3-month TB Index	0.63	1.92	3.78	7.12	3.16	6.31	6.04
6-month TB Index	0.68	2.06	4.04	7.63	3.38	6.73	6.33
12-month TB Index	0.71	2.13	4.18	7.79	3.50	6.71	6.28
TB Index including call	0.62	1.80	3.49	6.79	2.93	6.11	5.93

Source: IJG

IJG Money Market Index Weights (%) - as at May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
Call Index	15.00	15.00	15.00	15.00	15.00
3-month NCD Index	1.88	1.88	1.87	4.08	13.85
6-month NCD Index	4.33	4.33	4.31	4.96	7.43
12-month NCD Index	47.77	47.77	47.61	47.45	40.05
3-month TB Index	3.23	3.23	2.85	3.01	2.16
6-month TB Index	8.49	8.49	9.39	8.49	7.39
12-month TB Index	19.30	19.30	18.97	17.00	14.12

Source: IJG

Average Days to Maturity - as at May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
Call Index	0.15	0.15	0.15	0.15	0.15
3-month NCD Index	0.86	0.86	0.86	1.88	6.37
6-month NCD Index	3.94	3.94	3.92	4.51	6.76
12-month NCD Index	86.54	86.54	86.25	85.97	72.56
3-month TB Index	1.49	1.49	1.31	1.39	1.00
6-month TB Index	7.73	7.73	8.54	7.73	6.72
12-month TB Index	34.96	34.96	34.37	30.79	25.57
Composite Index	135.67	135.67	130.72	130.72	130.47

Source: IJG

Money Market (Excluding NCD's)

IJG Money Market Index [average returns] - May 2016

	this month	1 month ago	3 months ago	6 months ago	12 months ago
Money Market Index	371.92	369.66	365.28	359.14	347.95
Call Index	310.61	309.39	306.96	303.35	296.26
3-month TB Index	362.89	360.64	356.17	349.95	339.19
6-month TB Index	377.33	374.86	370.06	363.48	351.64
12-month TB Index	395.86	393.35	388.52	381.76	369.41

** annualised*
Source: IJG

IJG Money Market Index Performance [average returns, %] - May 2016

	1 month	3 months	6 months	y/y	ytd	3 years *	5 year *
Money Market Index	0.61	1.82	3.56	6.89	2.99	6.17	5.97
Call Index	0.39	1.19	2.39	4.84	1.99	4.73	4.73
3-month TB Index	0.62	1.89	3.70	6.99	3.11	6.24	6.00
6-month TB Index	0.66	1.96	3.81	7.31	3.21	6.54	6.22
12-month TB Index	0.64	1.89	3.69	7.16	3.10	6.33	6.12

** annualised*
Source: IJG

IJG Money Market Index Weights [%] - May 2016

	this month	1 month ago	3 months ago	6 months ago	12 months ago
Call Index	15.00	15.00	15.00	15.00	15.00
3-month TB Index	9.38	9.38	8.11	7.92	8.20
6-month TB Index	23.21	23.21	24.68	25.76	24.70
12-month TB Index	52.42	52.42	52.21	51.32	52.10

** annualised*
Source: IJG

IJG Money Market Index [single-month returns] - May 2016	this month	1 month ago	3 months ago	6 months ago	12 months ago
Money Market Index	371.92	369.66	365.28	359.14	347.95
Call Index	310.61	309.39	306.96	303.35	296.26
3-month TB Index	362.89	360.64	356.17	349.95	339.19
6-month TB Index	377.33	374.86	370.06	363.48	351.64
12-month TB Index	395.86	393.35	388.52	381.76	369.41

** annualised*

Source: IJG

IJG Money Market Index Performance [single-month returns, %] - May 2016	1 month	3 months	6 months	y/y	ytd	3 years *	5 years *
Money Market Index	0.64	1.94	3.88	7.39	3.26	6.47	6.10
Call Index	0.39	1.19	2.39	4.84	1.99	4.73	4.73
3-month TB Index	0.62	1.88	3.75	7.11	3.15	6.30	6.03
6-month TB Index	0.66	2.02	4.02	7.63	3.37	6.73	6.32
12-month TB Index	0.70	2.09	4.19	7.93	3.52	6.80	6.32

** annualised*

Source: IJG

Exchange Traded Funds (ETF's)

Ticker	Price (c)	mtd %	ytd %	52Wk High	52Wk Low
ENXPLD	8,493	-4.40	0.17	9600	6920
NGNGLD	18,270	4.35	15.27	19150	9015
NGNPLD	8,488	-4.27	0.33	9584	6900
NGNPLT	15,135	1.01	12.70	16251	11700

Source: IJG

Namibian News

General News

Huawei Namibia office manager for enterprise Peter Gao said the Safe City solution is highly relevant for Namibia. According to Gao, the Safe City solution is a technological Huawei product solution which enables the government to have the visual capability to control risk in the city from every angle and to protect the lives and property of residents. "The entire criminal act or emergency accident can be detected and monitored by real–time video, and the police force and rescue team will be there in time. Commanders can see what is happening, and dispatch orders by both voice and video," he stated. – The Namibian

WHO praises Namibian road infrastructure. World Health Organisation (WHO) resident representative Dr Monir Islam says Namibia has excellent rules and laws on road safety, but it is no use having good roads and regulations if these are not strictly enforced. "We really need to enforce these rules," the WHO resident rep stressed. -The New Era

June fuel increases to hit consumers hard. Consumers who are already facing massive increases in food prices can brace for more shocks as a rise in fuel prices is sure to push up expenses even more. The Ministry of Mines and Energy on Friday confirmed that as of Wednesday, 01 June, petrol prices will increase by 60c a litre (c/l) while all grades of diesel will increase by 70c/l. For the first time this year, oil has broken the US$50 level and stayed a shade above the psychologically important threshold. "Equally, refined petroleum products have stayed above N$54 per barrel throughout the whole month of May. This slight increase in both crude and refined oil prices was caused by a decrease of about 5 million barrels in the US oil reserves and the oil pipelines blockade in Nigeria as a result of terrorist attacks in that country", Minister of Mines and Energy, Obeth Kandjove, explained in a statement released Friday. – The Namibian

Economy

IMF sees GDP at 4.2% now, 5.8% in 2017. The International Monetary Fund says in its latest outlook on sub-Saharan Africa that Namibia's GDP growth will be 4.2% this year, down from 4.5% last year. The IMF expects GDP to register a positive growth of 5.8% in 2017. The IMF sees inflation averaging 5.2% this year and rising to 6% next year. Inflation averaged 3.4 in 2015%. -The Namibian

The Namibia Statistics Agency may have overstated Gross Domestic product (GDP) figures, PSG Namibia observed yesterday. In its most recent regional economic outlook for Sub-Saharan Africa, the International Monetary Fund (IMF) projects Namibia's real GDP growth will decline from 4.5% in 2015 to 4.2% this year. The Namibia Statistics Agency's preliminary national accounts data puts the real GDP growth at a 'surprisingly' high 5.7% last year, PSG noted in a report. "Our current 2015 growth estimate is in line with that of the IMF, and while we may consider a slight upwards adjustment based on the NSA's most recent data, we still see a high likelihood of the statistics agency lowering its estimate by the time of the national accounts," the firm said. -The Namibia

The Namibian annual inflation rate increased further to 6.6% in April. On a month on month basis, prices continued to rise, up 0.6% after the 0.8% uptick seen last month. On a year on year basis, eight of the twelve basket categories grew at a quicker rate in April than in March, pushing up overall inflation. The biggest contributor to inflation on a monthly basis were price increases of food and non-alcoholic beverages once again, while on an annual basis housing and utilities price increases have contributed the most to inflation.

A total of 1,479 new vehicles were sold during April 2016, a drop of 3.0% from the March sales of 1,525 and down 15.1% over April 2015, driven by a slowdown in both passenger and commercial vehicle sales. At this point of the year, 5,743 vehicles have been sold so far in 2016, down 24.0% on the comparable period of 2015. This declining growth rate of new vehicle sales suggests that we may see another contraction in new vehicle sale this year, only to a much larger extent than the slight decrease seen in 2015.

During the first quarter of 2016, Namibia's trade deficit stood at N$4.152 billion, this represents a significant decline of 62% compared to a revised figure of the previous quarter in which the deficit was estimated to be N$10.9283 billion, similarly, when compared to the same quarter a year ago the deficit fell by 30% from N$5.893 billion. The deficit narrowed as export revenue grew stronger than the growth on import expenditure. The causes of these deficits are the importation by Namibia of high value manufactured commodities and machinery from partner countries while exporting primary goods of low value.

The latest Business Climate Monitor of the Institute for Public Policy Research (IPPR) and IJG Securities paints a picture of the Namibian economic landscape in decline. The Business Climate Monitor (BCM) for March 2016, relaunched this week, shows that across most sectors of the economy and most indicators assessed, the Namibian economy has slowed considerably from the moderate to reasonably high annual growth rates of the last few years up to the end of 2014. The factors contributing to the decline are both internal and external, and suggest that it could be a while before some of the key economic sectors pick up again. Basically, the BCM indicates that there will be very little scope for bold moves on poverty alleviation and job creation, should negative conditions prolong beyond the second half of 2017.

Financial

The Development Bank of Namibia's manager for communications Jerome Mutumba says the bank will continue assisting to the Namibian tourism industry. In a statement yesterday, Mutumba said the depreciation of the Namibian dollar against the US dollar resulted in an increase in forward bookings, and this signals that the time is ripe for further investments in tourism infrastructure and operations. -The Namibian

Total credit extended to the private sector increased by N$334.8 million or 0.4%, in March, taking total credit outstanding to N$83.7 billion. On an annual basis PSCE growth increased by 13.0% in March compared to 13.3% in February. A total of N$9.6 billion worth of credit has been approved over the last 12 months with N$1.5 billion worth of credit being approved in 2016 thus far. Of this N$9.6 billion worth of credit issued during the last 12 months, approximately N$4.4 billion was taken up by businesses, while N$4.8 billion was taken up by individuals.

Non-performing mortgage loans rose by N$222 million to over N$600 million last year, according to the Bank of Namibia's latest financial stability report. Out of every N$1,000 in the pocket of the Namibian consumer in 2015 only N$109 was left after he met his debt obligations. In 2014 the consumer had N$145 left by the same measure. The debt burden in the country is higher than in comparable economies and justifies a targeted strategy to reduce the risk of financial instability, said Ebson Uanguta, deputy governor of BoN. – The Republikein

The amount of loan repayments received by the Namibia Students Financial Assistance Fund declined from N$6,4 million in 2010 to N$4,8 million last year. These statistics were provided by the fund's chief executive officer, Hilya Nghiwete, during a presentation to the parliamentary committee on gender, youth and information technology on Tuesday at Parliament Buildings. She said in 2010, 1 744 students paid back their loans, while 1 106 did so last year. In fact, in 2014, just 760 students paid back their loans, compared to 1 362 in 2013. The statistics further show the number of students who paid back in 2012 was 1 656, compared to 1 951 in 2011. The Namibian last week reported that the fund is set to receive over N$4 billion from government in the next three years, which is broken down to N$1,2 billion this year, N$1,4 billion next year and N$1,4 billion in the year after. - The Namibian

The Government Institutions Pension Fund (GIPF), the largest pension fund in Namibia, is more than N$93.3 billion strong since March this year. The fund delivered a return of 5.45% last year. The GIPF currently has 106,092 members and payments to members increases at an inflation related rate. According to Mihe Goameb, the chairman of the GIPF, significant progress has been made with unlisted investments in priority sectors such as housing and infrastructure development. To date, N$1.35 billion has been made available for housing, with N$750 million for housing schemes and N$600 million for the servicing of erven. – Republikein

Property and Construction

The average consumer in the housing market is not a happy investor, a report on housing affordability released by FNB Namibia has shown. Daniel Kavishe, market research manager at the FNB Namibia Group said on Friday that not only has the purchase price risen, but also the cost to maintain a house. “Unless wages are adjusted accordingly over the next few years or major changes take place from the supply side to ease growth in house and utility prices, labour unrest will mount. This could potentially lead to strikes, which would lower productivity and cripple overall production in the economy,” he warned. -The Namibian

United Africa Group (UAG) received funding of N$80 million from Vantage Capital, a South African-based firm, towards the construction of the 181-key, three star Hilton Garden Inn hotel in Windhoek. The debenture funding is being used to support the group’s equity contribution for the construction of a new Hilton Garden Inn, while the growing tourism demand in Namibia has been a key driver behind the funding of the project. This is in addition to the existing five-star Hilton hotel. -The New Era

Rent control to hurt property investors. If the proposed rent control comes into effect, it would more likely affect people with more than one mortgage and who are heavily reliant on the rent money from tenants. Speaking during the launch of the Financial Stability Report for 2016 in Windhoek yesterday, deputy governor of the Bank of Namibia (BoN) Ebson Uanguta said the banking system will not be negatively affected by rent control. He said rent control may force those who have borrowed money from banks to buy houses with the intention to rent them out for income to rather sell them as they may not be in a position to repay the mortgages. -The Namibian

A total of 198 building plans worth N$219.8m were approved by the city of Windhoek in April. On a year-to-date basis, 642 plans were approved, significantly less when compared to the 878 plans approved over the same period last year. In value-terms however, approved plans on a year-to-date basis are worth N$749.3 million, 30.9% more than the value recorded over the same period last year. This year to date increase in value of plans approved is mostly due to base effects as large commercial projects have been approved by the municipality thus far in 2016.

A joint venture between the secretive army business firm August 26 Construction and a Chinese company is among 11 companies whose bids for the construction of a food bank in Windhoek have problems. The cost of the project is not known, but the tender has been reserved for companies which worked on state projects worth over N$40 million. According to the latest Tender Bulletin newsletter, about 11 Chinese companies are also in the scramble for the tender, even though the rules state that participating companies should be 100% Namibian. “August 26’s Chinese partner (Quingjian International) has no Social Security certificate,” the report said. The military holding company August 26 has been criticised for not being open in its dealings with the public, although it is funded by the state. – The Namibian

The property developer and investor, Atterburry Group, established a new property growth fund as an investment vehicle for existing and new assets in South Africa, Namibia and Mauritius. The Atterburry Property Fund starts as a closed, unlisted fund with initial assets worth N$3.1 billion. Atterburry Property Holdings, in which Rand Merchant Bank Holdings is busy acquiring a share of 25.01%, will keep 80% of the shares in the growth fund and Atterburry’s employees the remaining 20%. The funds initial property assets will include a 10% share of the new Mall of Africa in Waterfall, Midrand, a 15% share in the Bagatelle Mall of Mauritius, a 25% share in The Grove Mall of Namibia in Windhoek, the Riverwalk Office Park in Pretoria and KPMG’s Hillside office in Lynwood, Pretoria. – Republikein

Namibia’s new N$2,4 billion parliament, dubbed the Welwitschia, will include 400 offices, a chamber to accommodate 300 lawmakers and a gym that is part of a “wellness centre”. The current parliament has 104 lawmakers. The Namibian has learnt from experts familiar with the project that the price tag of the planned parliamentary building more than tripled in less than two years from the initial N$700 million, to include more extravagant features to match the taste of the elected officials. – The Namibia

President Hage Geingob has joined a list of property developers, especially for residential units, in a lucrative industry which has also been blamed for driving up the cost of housing. The President, in his private capacity, is part of a project that will build more than 400 apartments, 24 villas, two mansions and a hotel in the upmarket area of the Klein Windhoek farmlands (east of the capital). His partner is a Chinese national. The land is alongside the road linking the capital city to Namibia’s only international airport, named after Namibia’s liberation icon Hosea Kutako. It is the same township where government is rebuilding former President Sam Nujoma’s house at a cost of over N$20 million. - The Namibian

The tender board last week had to postpone awarding the N$1 billion contract for the construction of the Prime Minister’s new offices because of questions over where the budget will come from. A joint venture between businessman Vaino Nghipondoka’s company Babyface Civils and his Asian partners China Jiangxi International has been recommended by the works ministry for the contract. Around N$90 million is budgeted for this project in 2016. Other sources said Nghipondoka’s joint venture did not provide proof that it had the funds to carry out the project. This, according to sources, was after government demanded commitment from the bid winners in the form of a 10% performance guarantee amount.

President Hage Geingob said Cabinet has directed four top government executives to explain to the public how the price of the new parliament building ballooned to N$2.4 billion. Cabinet directed vice president Nickey Iyambo, Prime Minister Saara Kuugongelwa–Amadhila, National Assembly Speaker Peter Katjavivi and National Council chairperson Margaret Mensah–Williams to tell the public about the rationale behind the proposed new parliament building, and clarify issues pertaining to the financing of the project at a press conference. This decision was made at a Cabinet meeting held on Tuesday where Geingob, who appears to be supporting the new parliament building, brought up the topic. The President also raised concerns about the high cost for the construction of the food bank, which has now been called off.

Water and Energy

The case between NamPower and Arandis Power over the 250MW tender in which Xaris Energy is the preferred bidder is set to be heard in the Windhoek High Court today. NamPower, Xaris Energy, the Cabinet and President Hage Geingob are all listed as respondents in the case. This is the second time this year that NamPower has been dragged to court over alleged tender irregularities. The first time was in January this year when Enel Green Power Namibia took the company to the high court after NamPower had changed tender conditions for a 35MW solar tender last year. – The Namibian

The dams that supply Windhoek with water are expected to be dry by the end of the year and residents should expect lower quality water going forward. The Ministry of Agriculture, Water and Forestry could soon declare a hydrological drought and what is making matters worse is the fact that Windhoek aquafer is not a sustainable solution over the long-term as it will take 15 years to refill.

Work on the first phase of a 27MW solar energy farm near Arandis has begun, and should be completed by the first half of next year. The new plant, known as the Trekkopje Solar Project, is owned by SertumEnergy Namibia, a partnership between young Namibian businessman Elton Katangolo and Italian energy expert and businessman Enrico Barbaglia. – The Namibian

Aquafer project not a long term solution. Even should companies and residents of Windhoek achieve water savings of 30%, all three dams that supply the capital and central areas with water will run dry before the next rainy season. Windhoek's annual water usage is currently 23.6 million cubic meters and when the dams run NamWater will only be able to supply 3.4 million cubic meters, or 14.4% of normal usage. -The Republikein

Up to 400,000 dependants may be affected in an event that major construction projects around Windhoek are halted as a result of the water crises due to the drought. The Construction Industry Federation has estimated that the water crises may cost 40,000 jobs. - The Namibian

Cabinet last week approved the extension with immediate effect of the 2015/16 drought relief programme to run from May to July, at the cost of N$89m over three months. The 2015/16 drought relief programme officially ended on March 31. Cabinet noted that a final decision on drought relief is pending the outcome of the annual analysis of crop prospects, food security and the drought situation. – New Era

Resources

A new World Bank report has recommended that Pacific Island countries supporting or considering deep sea mining activities proceed with a high degree of caution to avoid irreversible damage to the ecosystem, and ensure that appropriate social and environmental safeguards are in place as part of strong governance arrangements for this emerging industry. Namibia is yet to decide whether it will lift the moratorium on phosphate mining. Last week, minister of mines and energy Obeth Kandjoze told a meeting of the Chamber of Mines of Namibia that the matter was still a 'work in progress', and that the Cabinet committee dealing with the matter met on 15 February and is expected to make a recommendation to Cabinet for a decision. -the Namibian

The Government's moratorium on offshore phosphate mining stands in the way of a N$25 billion investment. Mr Hans Huckstedt, project manager at LL Namibia Phosphate, said that he expects that the LLNP project will provide Government with N$50m in royalties per year, add N$3bn to GDP per year and create taxes of approximately N$500m per year. -The Republikein

Otjikoto gold production exceeds targets. Gold production at B2Gold's Otjikoto mine for the first quarter of 2016 was 35,703 ounces against a budget of 35,653 ounces, exceeding budget by 50 ounces and 4,569 ounces higher than the same period of the previous year. The figures are contained in B2Gold's Quarterly Gold Production for First Quarter 2016 released on the Namibian Stock Exchange. -The Namibian

Water pipeline for Langer Heinrich. The Uranium mine is experiencing problems with the wells that usually supply about 50% of the water used in the mines processing unit according to Paladin Energy. A technical problem with some of Langer Heinrich's mine wells will limit production for the quarter ending in June by 150,000 pounds and lead to a 4% drop in production for the 2016 financial year. -The Republikein

Diamond miner Namdeb plans to set up an 8MW wind farm, to power its mining operations. Although exact details of the multi-million-dollar project remains sketchy, with the diamond miner preferring to remain mum, the company's board is expected to come up with a final position on the matter at its next board meeting, which will be held next month. -The Observer

Namibia and the De Beers Group of Companies today signed a new 10-year sales agreement for the sorting, valuing and sales of Namdeb Holdings' diamonds. The sales agreement is the longest ever signed between the two partners. Namibia will see a significant increase in rough diamonds made available for beneficiation as a result of the agreement, with US$430 million of rough diamonds being offered annually to Namibia Diamond Trading Company (NDTC) customers. As part of the agreement, all Namdeb Holdings' Special Stones will be made available for sale in Namibia. In addition, the agreement provides for 15% of Namdeb Holdings' run-of-mine production per annum to be made available to a Government-owned independent sales company called Namib Desert Diamonds Pty Ltd. – The Namibian

Namibian cement industry – too small for two. With an oversupply of cement in the Namibian market as well as overcapacity within the Southern African Customs Union there is doubt that a second cement facility will be beneficial to the country. Namibia's current demand for cement is 600,000 tons per year and the Ohorongo Cement facility is able to produce 1,000,000 tons per year. A second facility is currently under construction, Cheetah Cement. This facility is a joint venture between a Namibian company, Whale Rock Cement, and a Chinese associate, West China Cement Limited. – The Republikein

Agriculture

Namibian farmers who drive their cattle to graze in the foot–and–mouth disease zone of the Bondo Kaila constituency of Angola must keep their cattle there for the time being because of an outbreak of the disease. Chief veterinarian of the Ohangwena region Dr Magano Kefas made the announcement during a meeting between farmers, Ohangwena governor Usko Nghaamwa and the Angolan authorities from Bondo Kaila constituency represented by senior headman Ernesto Abraao Kambinda on Wednesday. - The Namibian

Trade and Tourism

The latest entrant in the regional aviation industry, Fly Blue Crane, successfully launched its first regional flights between Cape Town and Windhoek on Friday, after receiving approval from South African and Namibian authorities to commence the service. The airline, which took to the skies from its Johannesburg hub in September 2015, plans to fly to more southern Africa destinations in future as it grows and said it will soon announce exact flight schedules between Cape Town and Windhoek. – New Era

Namibian businesses are gravely concerned about the government's decision to compel South African citizens to acquire business visas at the Namibian High Commission in Pretoria prior to travelling to Namibia for business activities. Namibia Chamber of Commerce and Industry CEO Tarah Shaanika said the requirement, which started in March this year, has already proven to have a significant negative impact on cross–border business activities between Namibia and South Africa. – The Namibia

If South Africa retaliates Namibia's decision and starts asking business visas for Namibians travelling to South Africa, the consequences will be dire. Namibia Chamber of Commerce and Industry (NCCI) CEO Tarah Shaanki warned in an interview that since Namibians also travel in large numbers to South Africa, it would hurt the economy if that country moves to require Namibians to obtain visas for travel thereto. - The Namibian

Local Companies

Water crisis may affect NBL production. The looming water crises in Windhoek may affect the production and financial performance of Namibia Breweries Limited, according to a preview of the half-year ended 31 December 2015 done by IJG Securities this week. Current forecasts suggest that without inflows, by September 2016 all of the key dams providing water to Windhoek will have run dry. According to NamWater, the level of the three dams supplying the central areas with water was between 4% and 22% in April. After September this year, the city of Windhoek and NamWater will only be able to supply about 30% of the required water demand from boreholes, the reclamation plant, and the canal from the northern region, should the dams run dry. NamWater has announced that water supply to Windhoek will be cut by 20% in an attempt to postpone dams running dry in September this year to April 2017. -The Namibian

NSX Round – Up

Company	Code	Mkt Cap (N$m)	Share price (c)	P/E (A)	P/E (F)	HEPS (A)	HEPS (F)	Rec
Bank Windhoek Holdings	BWH	8,691	1,720	11.3	9.5	150.5	178.7	BUY
FNB Namibia	FNB	12,711	4,750	11.9	10.2	377.6	442.0	BUY
Namibia Asset Management	NAM	146	73	9.7	8.2	7.9	7.9	BUY
Oryx	ORY	1,644	2,112	13.2	13.3	159.6	159.2	HOLD
Namibia Breweries	NBS	5,163	2,500	12.8	12.4	187.1	192.6	HOLD
Bidvest Namibia	BVN	2,226	1,050	7.7	9.8	103.2	106.8	SELL
Paladin Energy3	PDN	3,654	259					
B2Gold2	B2G	11,265	2,928					
Eco (Atlantic) Oil & Gas2	EOG	96	124					
Deep Yellow3	DYL	102	6					
Bannerman Resources3	BMN	96	35					
Forsys Metal Corporation2	FSY	76	78					

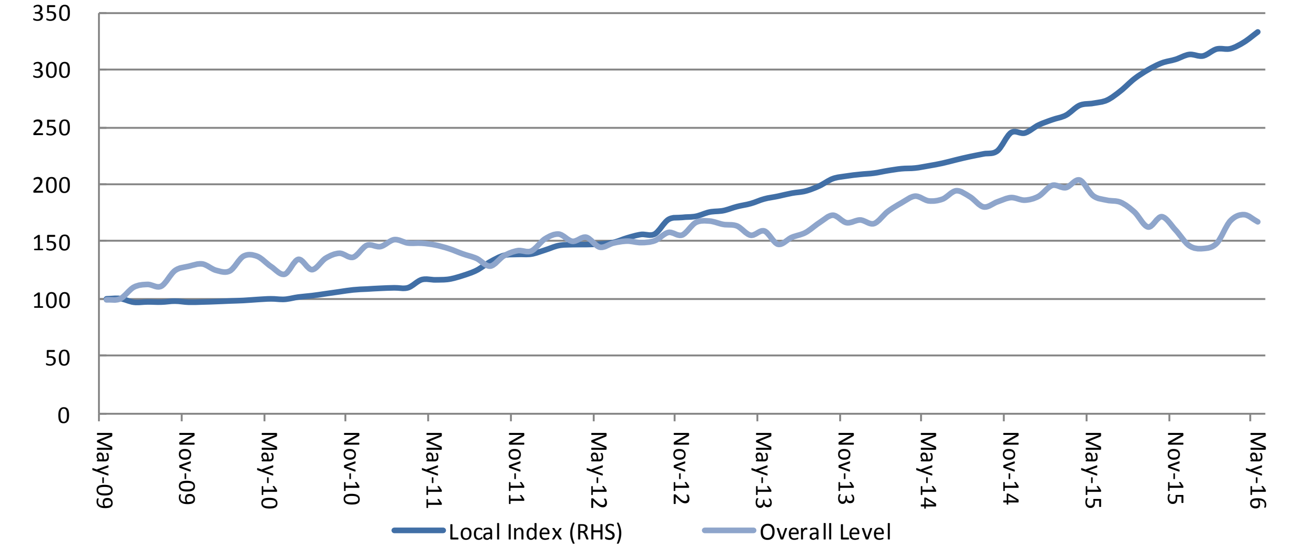
1Dual-listed on JSE
2Dual-listed on the TSX
3Dual-listed on the ASX

Deep Yellow, Bannerman Resources, Eco (Atlantic) Oil & Gas and Forsys Metals have their primary listing on the Australian (ASX) or Toronto Stock Exchange (TSX) and listed on the Development Board of the NSX (DevX).

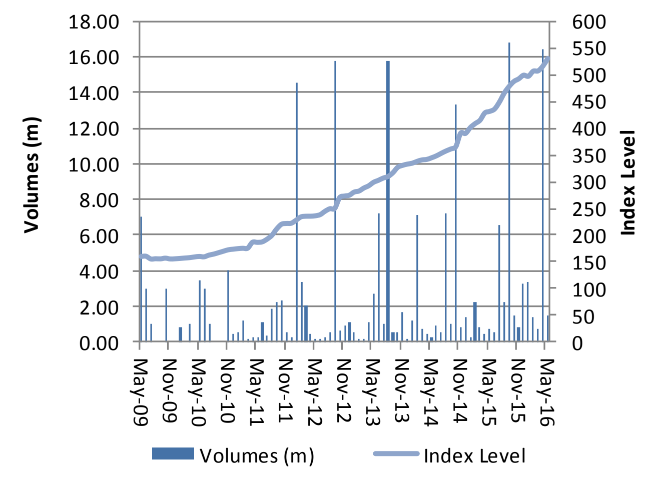
Unless otherwise stated, the price information provided is the latest trading price on the NSX, or on the Johannesburg Securities Exchange (JSE), ASX and the TSX if the share is dual listed. Companies are grouped according to the sector in which the company is listed on the NSX: financial, fishing, industrial, mining, and retail.

NSX Indices

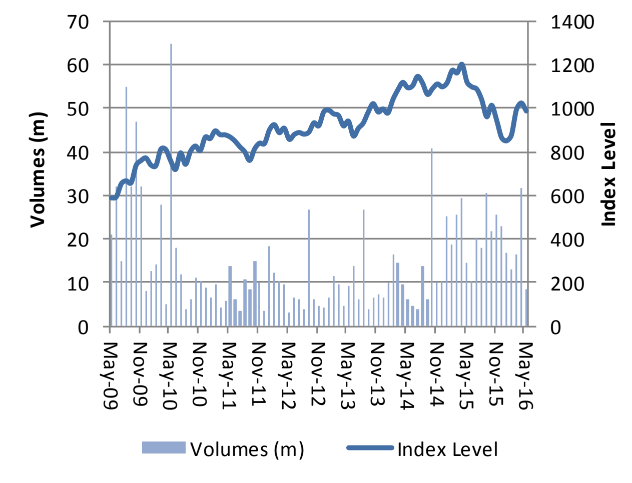
NSX Overall and Local Index (based to 100)



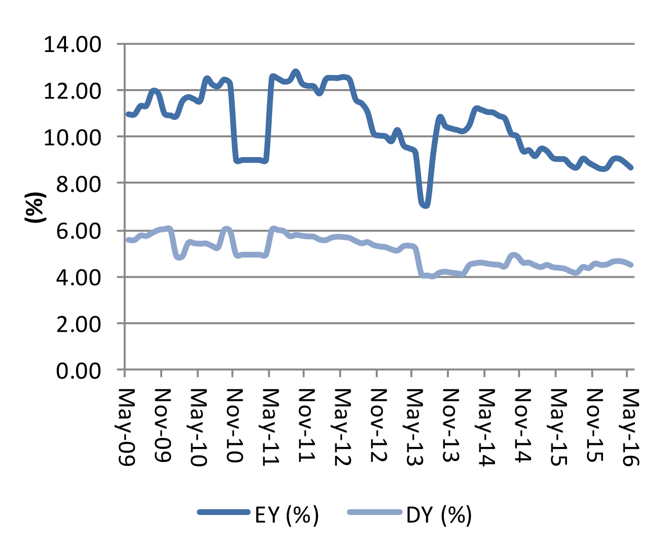
Volumes and Absolute Levels for Local Index



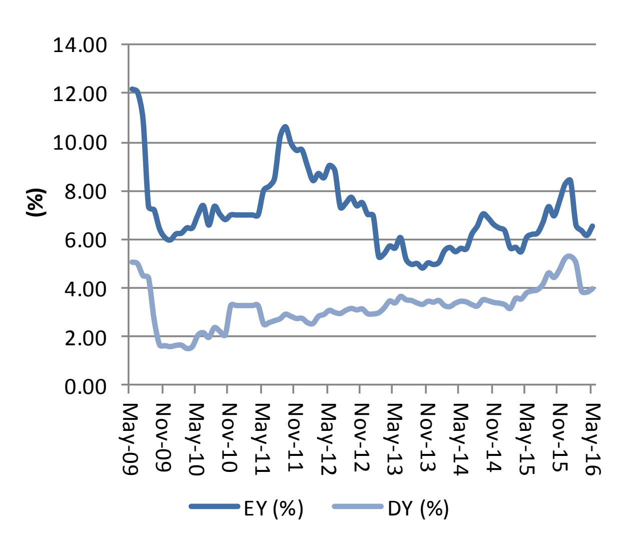
Volumes and Absolute Levels for Overall Index



EY and DY for Local Index



EY and DY for Overall Index



Source: Bloomberg, IJG, JSE

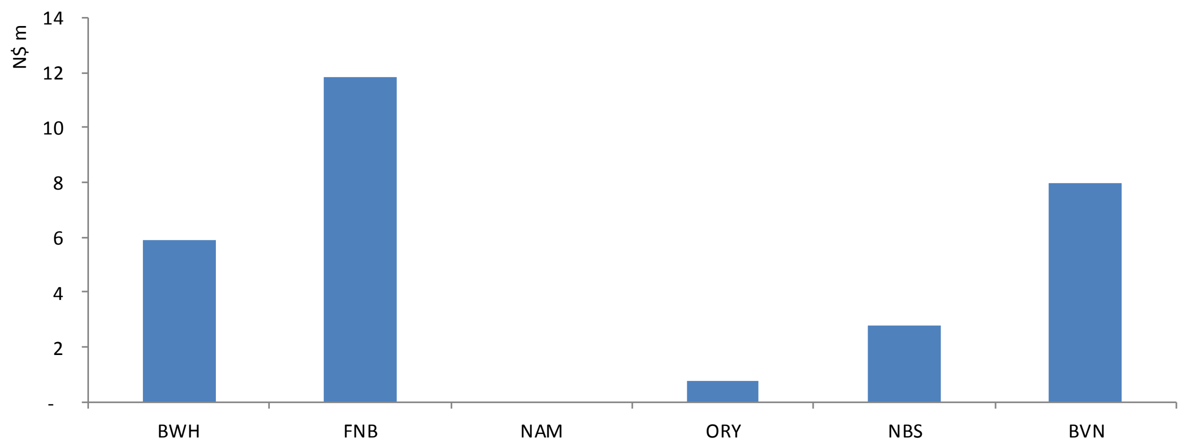
NSX Overall Index

CODE	Share Price (c)	Shares in Issue	Market Cap N$	Weight %	free-float %	ff MCap N$	ff weight %
	31-May-2016		NSX Overall Index N098				
FINANCIALS		21,322,216,519	1,021,202,588,367	65.21%	68.9%	703,606,000,621	62.97%
banks		8,497,457,411	555,362,410,038	35.46%	58.1%	322,545,853,907	28.86%
BWH	17.20	505,280,000	8,690,816,000	0.55%	22%	1,914,586,765	0.17%
FST	43.24	5,609,488,001	242,554,261,163	15.49%	54%	130,979,301,028	11.72%
FNB	47.50	267,593,250	12,710,679,375	0.81%	24%	3,050,563,050	0.27%
SNB	125.15	1,619,230,439	202,646,689,441	12.94%	75%	151,985,017,081	13.60%
NBK	179.00	495,865,721	88,759,964,059	5.67%	39%	34,616,385,983	3.10%
general insurance		115,131,417	26,126,772,460	1.67%	29.0%	7,576,764,013	0.68%
SNM	226.93	115,131,417	26,126,772,460	1.67%	29%	7,576,764,013	0.68%
life assurance		8,668,878,639	375,110,645,026	23.95%	87.5%	328,151,862,488	29.37%
MIM	22.50	1,573,834,190	35,411,269,275	2.26%	65%	23,017,325,029	2.06%
OLM	40.55	4,928,572,643	199,853,620,674	12.76%	96%	191,859,475,847	17.17%
SLA	64.55	2,166,471,806	139,845,755,077	8.93%	81%	113,275,061,613	10.14%
investment companies		1,694,451,715	12,608,786,595	0.81%	39.4%	4,970,658,795	0.44%
NAM	0.73	200,000,000	146,000,000	0.01%	52%	75,920,000	0.01%
SILP	121.29	3,750,000	454,837,500	0.03%	100%	454,837,500	0.04%
ARO	15.81	126,809,944	2,004,865,215	0.13%	100%	2,004,865,215	0.18%
TAD	14.23	44,803,970	637,560,493	0.04%	0%	0	0.00%
KFS	7.10	1,319,087,801	9,365,523,387	0.60%	26%	2,435,036,081	0.22%
real estate		749,195,717	13,130,956,480	0.84%	93.9%	12,326,897,441	1.10%
ORY	21.12	77,859,791	1,644,398,786	0.11%	100%	1,644,398,786	0.15%
VKN	17.11	671,335,926	11,486,557,694	0.73%	93%	10,682,498,655	0.96%
specialist finance		1,597,101,620	38,863,017,769	2.48%	72.1%	28,033,963,976	2.51%
IVD	108.36	291,363,706	31,572,171,182	2.02%	86%	27,152,067,217	2.43%
TUC	3.67	772,142,090	2,833,761,470	0.18%	31%	878,466,056	0.08%
CMB	1.58	217,133,152	343,070,380	0.02%	1%	3,430,704	0.00%
TRVP	13.00	316,462,672	4,114,014,736	0.26%	0%	0	0.00%
RESOURCES		5,604,887,208	211,671,275,126	13.52%	94.2%	199,292,427,252	17.83%
mining		5,604,887,208	211,671,275,126	13.52%	94.2%	199,292,427,252	17.83%
ANM	139.69	1,405,467,840	196,329,802,570	12.54%	94%	184,550,014,415	16.52%
PDN	2.59	1,411,135,510	3,654,840,971	0.23%	86%	3,143,163,235	0.28%
B2G	29.28	384,738,307	11,265,137,629	0.72%	100%	11,265,137,629	1.01%
DYL	0.06	1,700,939,663	102,056,380	0.01%	75%	76,542,285	0.01%
BMN	0.35	589,217,987	206,226,295	0.01%	70%	144,358,407	0.01%
FSY	0.78	96,875,422	75,562,829	0.00%	100%	75,562,829	0.01%
EOG		-	-	0.00%	0%	-	0.00%
MEY	2.28	16,512,479	37,648,452	0.00%	100%	37,648,452	0.00%
BASIC INDUSTRIES		342,852,910	5,485,646,560	0.35%	40%	2,194,258,624	0.20%
chemicals		342,852,910	5,485,646,560	0.35%	40%	2,194,258,624	0.20%
AOX	16.00	342,852,910	5,485,646,560	0.35%	40%	2,194,258,624	0.20%
GENERAL INDUSTRIALS		424,645,585	17,220,333,623	1.10%	81%	14,029,465,956	1.26%
diversified industrials		212,692,583	14,994,827,102	0.96%	90%	13,495,344,391	1.21%
BWL	70.50	212,692,583	14,994,827,102	0.96%	90%	13,495,344,391	1.21%
suppport services		211,953,002	2,225,506,521	0.14%	24%	534,121,565	0.05%
BVN	10.50	211,953,002	2,225,506,521	0.14%	24%	534,121,565	0.05%
NON-CYCLICAL CONSUMER GOODS		1,730,798,712	171,080,146,116	10.92%	48%	82,624,065,751	7.39%
beverages		667,805,028	5,163,225,000	0.33%	50%	2,581,612,500	0.23%
NBS	25.00	206,529,000	5,163,225,000	0.33%	50%	2,581,612,500	0.23%
food producers & processors		325,749,874	19,470,810,698	1.24%	35%	6,819,398,042	0.61%
OCG	117.00	135,526,154	15,856,560,018	1.01%	25%	3,964,140,005	0.35%
CLN	19.00	190,223,720	3,614,250,680	0.23%	79%	2,855,258,037	0.26%
health care		737,243,810	146,446,110,418	9.35%	50%	73,223,055,209	6.55%
MEP	198.64	737,243,810	146,446,110,418	9.35%	50%	73,223,055,209	6.55%
CYCLICAL SERVICES		487,754,978	42,922,313,736	2.74%	99%	42,415,650,968	3.80%
general retailers		487,754,978	42,922,313,736	2.74%	99%	42,415,650,968	3.80%
NHL	2.10	53,443,500	112,231,350	0.01%	30%	33,669,405	0.00%
TRW	98.57	434,311,478	42,810,082,386	2.73%	99%	42,381,981,563	3.79%
NON-CYCLICAL SERVICES		572,871,960	96,431,537,027	6.16%	76%	73,287,968,140	6.56%
food & drug retailers		572,871,960	96,431,537,027	6.16%	76%	73,287,968,140	6.56%
SRH	168.33	572,871,960	96,431,537,027	6.16%	76%	73,287,968,140	6.56%
N098	987.24	30,486,027,872	1,566,013,840,555	100%	71%	1,117,449,837,312	71.36%

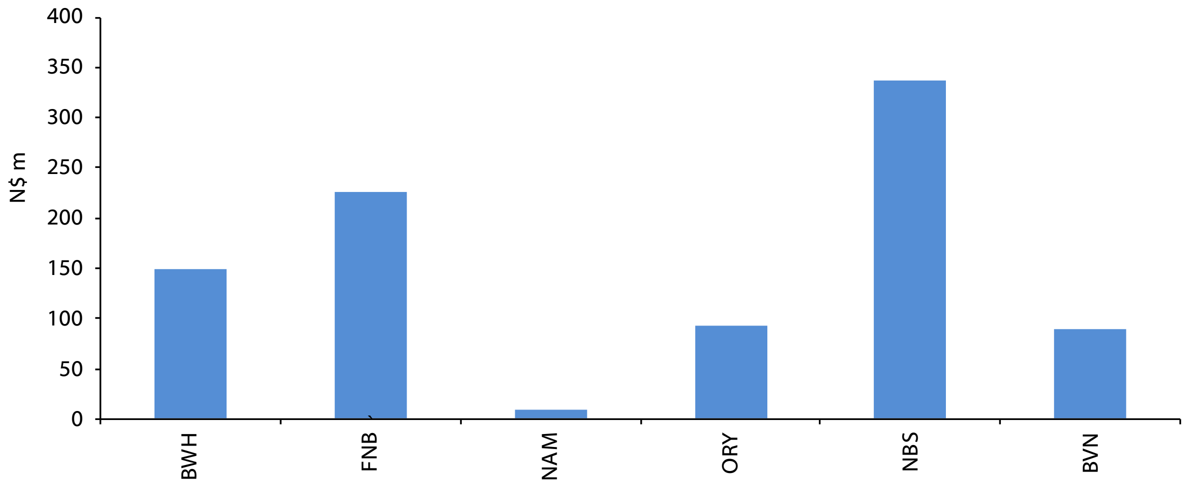
Source: Bloomberg, IJG, NSX

NSX Trading Update Local Companies

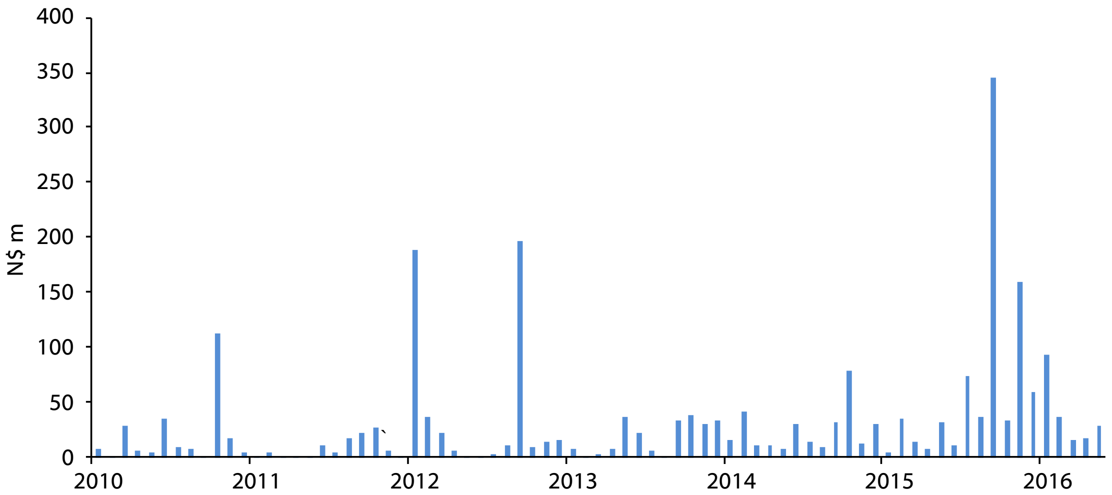
NSX Local Companies: Value Traded May 2016



NSX Local Companies: Value Traded June 2015 – May 2016



NSX Local Companies: Value Traded January 2010 – May 2016



Source: IJG

NSX Monthly Trade Volume (number of shares)

COMPANY NAME	SHARE	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Local Companies							
Bank Windhoek Holdings	BWH	239,597	1,571,491	590,154	297,167	284,574	345,932
FNB Namibia	FNB	85,711	1,384,273	495,558	67,596	36,492	250,690
Bidvest Namibia	BVN	180,120	138,042	99,212	27,310	27	760,731
Nambrew	NBS	60,263	24,533	156,039	73,360	70,950	112,783
Nictus	NHL	-	-	5,000	2,448	-	-
Oryx	ORY	2,300,097	251,030	37,070	311,034	41,590	37,436
Stimulus Investments	SILP	7,500	4,000		-	-	-
Namibia Asset Management	NAM	401,500	-	8,434	-	16,000,000	-
Local Company Trading		**3,274,788**	**3,373,369**	**1,391,467**	**778,915**	**16,433,633**	**1,507,572**
Development Capital Board							
Deep Yellow	DYL	-	-	-	-	-	-
Bannerman Resources	BMN	-	-	-	-	11,820	-
Forsys Metals	FSY	-	-	-	-	-	-
Xemplar Energy	XEM	-	-	-	-	-	-
Minemakers	MMS	-	-	-	-	-	-
Marenica	MEY	-	-	-	-	-	-
Eco (Atlantic) Oil & Gas	EOG	-	-	-	-	1,362	-
DevX Trading		**-**	**-**	**-**	**-**	**13,182**	**-**
Dual Listed Companies							
B2Gold Corporation	B2G	-	12,017	2,500	-	-	-
FirstRand	FST	4,066,444	2,371,381	491,162	1,107,156	840,981	1,122,604
Investec Group	IVD	592,910	361,595	1,023,880	184,360	119,236	236,711
MMI Holdings	MMI	479,323	366,281	816,109	996,729	1,248,180	647,420
Old Mutual	OLM	3,640,994	2,552,530	1,168,343	6,361,236	2,483,526	682,912
Sanlam	SLA	2,590,366	631,543	642,446	1,178,020	2,445,670	1,224,647
Santam	SNM	76,846	263,078	53,183	6,418	5,223	22,045
Standard Bank	SNB	3,404,353	508,350	860,579	1,319,071	519,102	646,521
Oceana	OCG	29,000	87,105	61,510	15,160	34,200	11,350
Afrox	AOX	27,269	239,920	188,560	59,326	66,456	1,281
Barloworld	BWL	420,601	408,824	391,804	155,347	41,298	156,416
Anglo American	ANM	1,233,676	4,049,629	2,833,157	1,806,077	4,715,534	817,636
Truworths	TRW	239,119	210,375	790,606	350,554	376,898	290,240
Shoprite	SRH	501,230	300,737	130,095	1,299,074	666,706	18,085
Nedbank Group	NBK	852,106	567,465	743,957	467,445	85,603	320,796
Vukile	VKN	60,986	23,163	1,029,830	32,287	719,758	628,518
Paladin Energy	PDN	-	-	-	-	-	-
Trustco	TUC	-	-	-	12,000	-	500
PSG Konsult	KFS	-	1,880	10,600	15,020	14,740	7,186
Clover Industries limited	CLN	-	16,040	3,340	750	5,500	1,620
Mediclinic International (Delis	MCI	1,275,494	288,170	75,864	-		-
Mediclinic International	MEP			338,660	110,177	1,037,045	127,426
Dual Listed Trading		**19,490,717**	**13,260,083**	**11,656,185**	**15,476,207**	**15,425,656**	**6,963,914**
Total Trading (Including DevX)		**22,765,505**	**16,633,452**	**13,047,652**	**16,255,122**	**31,872,471**	**8,471,486**

Source: NSX, IJG

NSX Trading News

Trustco released a cautionary announcement on Friday, in which shareholders are referred to the circular sent to shareholders on 11 September 2015 regarding the acquisition of Huso Investments (Pty) Limited ("Huso") which was subject to the fulfilment of certain outstanding conditions including shareholder approval ("the Huso Transaction"). On 5 October 2015 shareholders were notified on SENS that shareholder approval was provided in terms of the Huso Transaction and given details as to the outstanding conditions to be fulfilled for purposes of closing the Huso Transaction. While the Huso Transaction has not yet closed, the Company wishes to advise shareholders that Huso has entered into advanced negotiations with a target company in Sierra Leone ("Target Co") relating to a potential partnership for a geo-economic evaluation, development and exploration of a diamond exploration license as secured by the Target Co in June 2015. Should Huso and the Target Co be satisfied with the outcome of an independent due diligence review, they will use their best endeavours to negotiate and agree to a definitive agreement. The outcome of the independent due diligence is expected within 15 business days. Should the Huso Transaction close and if the partnership is successfully concluded it could have an impact on the Company's securities. In the circumstances, shareholders are advised to exercise caution when trading in their Trustco shares until a further announcement is made. Furthermore, shareholders will be notified once the unfulfilled conditions of the Huso Transaction have been fulfilled and the Huso Transaction has been finalized.

Namibia Asset Management (NAM) delivered results for the six months to 31 March 2016 that were in line with management's expectations. Profit after tax increased by 7.8% to N$8.4m (2015: N$7.8m). Headline earnings per share rose by 7.4% to 4.95c (2015: 4.65c). Operating profit for the period increased by 9.1% to N$11.9m (2015: N$10.9m) on the back of effective cost control.

Important Company Dates

Company	Share code	Fin year	Interims	Finals
Bank Windhoek Holdings	BWH	30-Jun	28-Feb	30-Sep
FNB Namibia	FNB	30-Jun	28-Feb	30-Sep
Namibia Asset Management	NAM	30-Sep	30-Jun	30-Nov
Trustco Group Holdings	TTO	31-Mar	31-Dec	30-Jun
Oryx Properties	ORY	30-Jun	28-Feb	16-Oct
Bidvest	BVN	30-Jun	31-Mar	30-Sep
Namibia Breweries	NBS	30-Jun	31-Mar	30-Sep
Nictus	NCT	31-Mar	31-Dec	30-Jun
Paladin Energy	PDN	30-Jun	31-Dec	30-Sep
B2Gold	B2G	31-Mar	30-Sep	28-May
Eco (Atlantic) Oil & Gas	EOG	31-Mar	31-Dec	30-Jun
Deep Yellow	DYL	30-Jun	31-Dec	30-Sep
Bannerman	BMN	30-Jun	31-Dec	30-Sep
Forsys Metal Corporation	FSY	31-Jan	30-Sep	30-Apr
Marenica	MEY	30-Jun	31-Dec	30-Sep

Source: NSX, Company reports

The above table shows the financial year-ends of all NSX local companies, the NSX share code, and the dates that interim and final results are due to be, or were last released.

Recent IJG Research

Title	Product	Date of publication
IJG Namibia Monthly	Country Report	Early following month
Namibian Asset Performance	Quantitative	Early following month
IJG Yield Curves	Quantitative	Mondays
IJG Equity Capped Index	Quantitative	Daily
IJG Recommended Portfolio	Quantitative	Daily
IJG Daily Bulletin	BBN	Daily
IJG Elephant Book	Economy	Quarterly
IJG Business Climate Monitor	Economy	Monthly
IJG Data Bulletin Windhoek Building Plans	Economy	Monthly
IJG Data Bulletin NCPI	Economy	Monthly
IJG Data Bulletin PSCE	Economy	Monthly
IJG Data Bulletin New Vehicle Sales	Economy	Monthly
Namibia Breweries 1H16 Results Review	Company	03-May-16
Bidvest Namibia 1H16 Results Review	Company	26-Apr-16
ORY 1H16 Results Review	Company	25-Apr-16
IPPR Detailed Budget Review	Economy	25-Apr-16
FNB Namibia 1H16 Results Review	Company	24-Apr-16
Bank Windhoek Holdings 1H16 Results Review	Company	24-Apr-16
Oryx Properties Limited – Appointment of CEO	Company	18-Apr-16
"When it rains gold, put out the bucket, not the thimble" – Warren Buffett	Team Commentary	30-Mar-16
Oryx Properties Limited – CEO Contract Expiry	Company	22-Mar-16
Namibia Breweries 1H16 Initial Impression	Company	15-Mar-16
Namibia Breweries trading update – HEPS up 5% – 10%	Company	04-Mar-16
Budget tabled, but still no sign of the detailed numbers	Team Commentary	29-Feb-16
IJG Budget Review, 2016	Economy	26-Feb-16
Bidvest Namibia 1H16 Initial Impression	Company	26-Feb-16
GCR affirms Oryx Properties Limited's rating of BBB+(NA); Outlook Stable.	Company	26-Feb-16
Oryx 1H16 Initial Impression	Company	26-Feb-16
Bidvest Namibia trading update	Company	18-Feb-16
BON hikes rates by 25bp. Repo now 6.75%.	Economy	17-Feb-16
BWH 1H16 Initial Impression	Company	11-Feb-16
FNB 1H16 Initial Impression	Company	11-Feb-16
SARB raises interest rates 50bps to 6.75%	Economy	28-Jan-16
IJG Economic Outlook – Overview	Economy	28-Jan-16
IJG Economic Outlook, 2016	Economy	28-Jan-16
Namibian public debt - up, up, and away.	Economy	14-Dec-15
Oryx Rights Issue Results	Company	27-Oct-15
Namibia Breweries FY15 Results Review	Company	27-Oct-15
Oryx FY15 Results Review	Company	27-Oct-15
FNB Namibia FY15 Results Review	Company	26-Oct-15
Bank Windhoek Holdings FY15 Results Review	Company	26-Oct-15
Bidvest Namibia FY15 Results Review	Company	26-Oct-15
Namibia launches US$750million 10-year Eurobond at a yield of 5.375%	Team Commentary	22-Oct-15
Banking sector liquidity crisis exacerbated by Kwanza agreement	Economy	22-Oct-15

Source: IJG

The above table lists all IJG research products published and distributed during the last quarter, including the IJG "Elephant Book", Macroeconomic Overview, Fixed Income Research, Breakfast Briefing Notes (BBN), Company Reports and Sector Reports. Available at www.ijg-research.net

IJG Holdings

Group Chairman
Mathews Hamutenya
Tel: +264 (61) 256699
mathews@millennium-invest.com

Group Managing Director
Mark Späth
Tel: +264 (61) 383 510
mark@ijg.net

Group Financial Manager
Helena Amutenya
Tel: +264 (61) 383 517
helena@ijg.net

IJG Securities

Managing Director
Romé Mostert
Tel: +264 (61) 383 520
rome@ijg.net

Sales and Research
Rowland Brown
Tel: +264 (61) 383 513
rowland@ijg.net

Jan-Hendrik Conradie
Tel: +264 (61) 383 523
janhendrik@ijg.net

Eric van Zyl
Tel: +264 (61) 383 530
eric@ijg.net

Paulina Shifeta
Tel: +264 (61) 383 521
paulina@ijg.net

Equity & Fixed Income Dealing
Nigel Mubita
Tel: +264 (61) 383 514
nigel@ijg.net

Leon Maloney
Tel: +264 (61) 383 521
leon@ijg.net

IJG Direct
Naïke Burger
Tel: +264 (61) 383 515
naike@ijg.net

Money Market & Administration
Tashiya Shekutamba
Tel: +264 (61) 383 511
tashiya@ijg.net

IJG Capital

Managing Director
Herbert Maier
Tel: +264 (61) 383 522
herbert@ijg.net

Business Analyst
Mirko Maier
Tel: +264 (61) 383 529
mirko@ijg.net

Portfolio Manager
Jakob de Klerk
Tel: +264 (61) 383 517
jakob@ijg.net

IJG Advisory

Director
Jolyon Irwin
Tel: +264 (61) 383 500
jolyon@ijg.net