



FMDQ SPOTLIGHT

NEWSLETTER EDITION 58 – AUGUST 2019



 **FMDQ** 



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FMDQ Emerges as Africa's First Vertically Integrated Financial Market Infrastructure Group ...Unveils New Status and Corporate Identity

Following an eventful year, 2019 ushered in its own share of commendable market-impacting initiatives. Having obtained the approval of the apex Nigerian capital market regulator, the Securities and Exchange Commission (SEC or the Commission), for the amendment of the registration of FMDQ OTC PLC from 'an OTC Market' to a full-fledged 'Securities Exchange' in March 2019, the Company secured the necessary approvals for a name change to '**FMDQ Securities Exchange PLC**' (FMDQ Exchange or the Exchange) thereby aligning its name to its upgraded status in the capital market. Furthermore, in June 2019, the Exchange received the SEC registration of its wholly owned central securities depository subsidiary – **FMDQ Depository Limited** – positioned to provide collateral caching, custodian and settlement services with excellent operational capabilities tailored to provide value to its stakeholders, and completing the value chain of pertinent market infrastructure in the Nigerian financial markets, particularly the post-trade spectrum, following the operationalisation of **FMDQ Clear Limited**. The implications are far-reaching as the careful implementation of the **FMDQ Entities** – **FMDQ Exchange, FMDQ Clear and FMDQ Depository** – have not only created robust linkages between hitherto fragmented spheres of the markets, but also presented the market with an efficient, innovative and integrated **financial market infrastructure (FMI) Group** for the seamless execution, clearing and settlement of financial markets transactions.

The erstwhile OTC Exchange commenced operations in November 2013, following its launch as an OTC market, primarily to organise the inter-bank market with focus on the fixed income, currency and derivative markets, and as a self-regulatory organisation, providing a world-class governance structure for the markets within its purview. In view of this, FMDQ Exchange set out to transform the markets, in line with its audacious agenda to make the markets globally competitive, operationally excellent, liquid and diverse; commonly known by market participants as FMDQ's GOLD Agenda. Following continued collaboration with its varied stakeholders, including regulators and market participants, a resilient product and market development architecture, and a commitment to operational excellence, FMDQ Exchange has positively evolved despite market challenges and economic headwinds. Attaining its first lustrum in November 2018, and closing the year with a market turnover of ₦182.86 trillion (from ₦103.57 trillion in 2014), FMDQ Exchange has assumed an expanded role beyond being a market organiser, to also becoming adviser to governments and regulators, catalyst for infrastructure capital and financial markets diplomat, aligning the domestic markets with its international counterparts and essentially, showcasing the potential of the Nigerian financial markets to the international community.

Having set the pace in the fixed income, currency and derivatives markets, FMDQ Exchange, as a full-fledged securities exchange, will position itself to cover new markets - equities and commodities - in the near- to mid-term.

In view of the resolute affirmation of the FMDQ Entities to influence and promote sustainable development in the Nigerian financial market, one which is in alignment with global standards, a new identity was unveiled. The new FMDQ Logo, whilst maintaining its vibrant colours – deep **blue**, depicting trust, confidence, depth and stability; bright **gold**, showing off passion, value, prestige, quality and prosperity; and a touch of cool **grey**, representing conservativeness, professionalism and sophistication, also reflects FMDQ's drive to “**consistently move forward**” and replaces the individual identities of FMDQ Exchange and its wholly owned subsidiaries.

As the second lustrum commences, FMDQ as a one-stop FMI Group with a platform to execute, clear and settle transactions in the Nigerian financial markets, remains committed to collaboratively deliver innovative and forward-thinking solutions to the market.



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FMDQ-Next Concludes 2nd Edition of its Annual Summer Camp Programme

In recognition that one of the major keys to national development, is quality education, FMDQ Exchange, through the FMDQ Next Generation Financial Market Empowerment Programme (FMDQ-Next), has begun addressing the dearth of financial market knowledge in society, at the foundation level, by including the next generation in its financial market education agenda. FMDQ-Next, FMDQ Exchange's flagship corporate responsibility Programme, is a learning and development initiative aimed at promoting financial market awareness and literacy among students across all levels (primary, secondary and tertiary), as well as fresh graduates across the country; in line with the Exchange's mission to empower the financial market in support of the ultimate development of Nigeria. FMDQ-Next, therefore, launched the annual Summer Camp Programme (the Programme) to begin imbibing the tenets of financial markets to the younger generation.

Having successfully launched the first Edition of the FMDQ-Next Summer Camp in 2018, commencing with secondary school students in a fully subscribed session, and attracting the former UK Prime Minister, Ms. Theresa May, to FMDQ's business complex, Exchange Place, who was delighted to witness the enthusiasm displayed by this next generation; FMDQ-Next announced the commencement of the second edition of the FMDQ-Next Summer Camp, which ran from July 22 to August 30, 2019, providing tailored sessions for both primary and secondary school students. The 2019 Summer Camp which was significantly upgraded to provide for entry of more students owing to the high demand and requests from parents/guardians was delivered in three (3) streams, lasting for five (5) and eight (8) days respectively for both primary and secondary school students.



The Programme, which involve fun, educational and interactive financial market exercises and activities, offered the participants the opportunity to learn about the workings of the financial market, concept of savings and investment, the various investment vehicles, and the roles of the different financial market participants, amongst others. The secondary participants, falling within the 12 – 16 years age bracket, had the opportunity to trade currencies with their peers in a simulated environment, FMDQ Q-Hub, using the FMDQ-Next bespoke trading system – which provides participants with practical trading experience, enabling them to execute trades, identify risk exposures, manage virtual portfolios and utilise effective strategies while monitoring changing economic situations, with the ultimate aim of making profits.

Each secondary stream ended with a trading competition, and emerging winners from each stream were awarded fantastic prizes, including internship positions at FMDQ Exchange for the overall best traders as determined by the amount of profit made during the trading competition.



The primary streams, on the other hand, had participants within the 7 – 11 age bracket ; and though they did not participate in trading competitions, were not left out in the theoretical and practical knowledge impacting activities delivered via unorthodox methods involving quizzes, games and other visual and audio-visual series.



Although exceeding our expectations with regards to the extremely high response rate for registration of participants for the 2019 Summer Camp, both categories (primary and secondary streams) attracting a total of 154 participants, were prestigiously catered for and given a tour of Exchange Place, experiencing a live feel of the FMDQ Studios, the world-class Archives and live market sessions through the FMDQ market systems. There were also role play meetings with the Management of FMDQ Exchange as well as presentations by various Staff on different roles within FMDQ Exchange and its subsidiaries to further expose participants to how a typical securities exchange works.



As part of the Company's community outreach initiative, five (5) female participants from a partner charity organisation, Echoes of Mercy Foundation – a charity focused on the rehabilitation and empowerment of young women who have been victims of abuse, homelessness and human trafficking – and, two (2) others from the Kabara Community Development Initiative – a northern Nigeria focused group focused on engaging and supporting the intellectual growth of northern Nigerian girls with interest in Science, Technology, Engineering and Mathematics (STEM), were also beneficiaries of the 2019 Summer Camp Programme.

With the outpouring of positive feedback, we are, indeed, encouraged to launch the 2020 FMDQ-Next Summer Camp Programme, and FMDQ Exchange remains committed to supporting the United Nation's Sustainable Development Goals including - Quality Education, Decent Work and Economic Growth and Reduced Inequalities. FMDQ-Next, on the other hand, acting as a change vehicle for financial markets education and awareness shall continue to strive to be that ongoing commitment sparking a unique interest and curiosity in the younger generation in the financial market space, ultimately for the good of society and economic prosperity for Nigeria as a whole.

[Click here to view photos for all 2019 Summer Camp](#)

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FMDQ Welcomes Local and International Study Tour Groups to Exchange Place

In keeping with its commitment as a financial market diplomat, FMDQ, having taken on the role of a national ambassador continues to engage stakeholders, domestic and international alike, to showcase the potential of the Nigerian financial market and FMDQ's activities as a vehicle consciously promoting economic development through the markets.

It is in this regard that FMDQ played host to the Capital Markets Authority (CMA), Kenya, who were on study tour to FMDQ's business complex, Exchange Place, as part of their Investor Education and Public Awareness Program to understand FMDQ's operations and business services, amongst others. The visit to FMDQ Exchange which was also an end-price for the winners of the CMA Kenya-organised Capital Markets University Challenge which ran from March 2018 to May 2019 enlightened the winners of the university challenge on FMDQ's business and its role in the Nigerian financial market ecosystem. There were also discussions on challenges inhibiting the growth and development of the Nigerian capital market and possible solutions to be considered.



In the same vein, FMDQ Exchange also welcomed representatives from the Chartered Institute of Bankers of Nigeria who visited the Exchange with winners of the Otunba (Mrs.) Debola Osibogun National Essay Competition for undergraduates of Banking and Finance in Nigeria tertiary institutions. The tour provided an excellent opportunity for the winners to gain a better understanding of the operations of FMDQ and the Nigerian capital market in general.



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US\$29 Billion OTC FX Futures Contract Traded as 38th Currency Futures Contract Matured on FMDQ

On Wednesday August 21, 2019, the 38th OTC FX Futures contract - NGUS AUG 21 2019 with a nominal value of \$638.23 million, matured and settled on FMDQ Exchange. This maturity brings the total value of matured currency futures contracts on the Exchange, since the inception of the market in June 2016, to circa \$17.66 billion; with a total of about \$29.01 billion so far traded.

The matured contract was valued for settlement against the NAFEX – the Nigerian Autonomous Foreign Exchange Fixing – the FMDQ Exchange reference Spot FX rate published same day. The associated clearing/settlement activities were effected accordingly by FMDQ Clear.

The Central Bank of Nigeria (CBN), as observed over the last thirty-seven (37) maturities, introduced a new contract, NGUS AUG 26 2020 for \$1.00 billion at \$/₦365.97 to replace the matured contract. The apex bank also refreshed its quotes on the existing 1 to 12-month contracts.

The contracts quotes are published daily on FMDQ's website at www.fmdqgroup.com and on the FMDQ Twitter page, @FMDQOTCExchange

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FMDQ Exchange Admits the First Ally Asset Management Limited Money Market Fund to its Platform

FMDQ Exchange, through its Board Listings, Markets and Technology Committee, approved the listing of 1.50 billion units of ₦1.00 each of the First Ally Asset Management (FAAM) Limited Money Market Fund (the FAAM Fund or the Fund) to its platform. The FAAM funds is an open-ended money market investment scheme that seeks to provide income, consistent with capital preservation and liquidity.

To commemorate this listing, the Exchange welcomed and specially hosted representatives of the issuer led by Mr. Biodun Arokodare, Chairman, Board of Directors, FAAM Limited; the lead issuing house and sponsor of the FAAM Fund on FMDQ Exchange, led by Mr. Ebenezer Olufowose, Managing Director, First Ally Capital Limited; and other parties to the issue including solicitors and trustees; to Exchange Place.

Welcoming the guests to the ceremony, Ms. Tumi Sekoni, Associate Executive Director, Capital Markets, FMDQ Exchange, congratulated the issuer and the sponsor to the issue, for having successfully listed the FAAM funds on FMDQ Exchange. From global visibility to governance, the FAAM Funds will join a host of other securities listed on the Exchange to benefit from the value-add and tailored service which listing on the FMDQ Exchange avails.



Speaking during his special address, Mr. Biodun Arokodare, Chairman, Board of Directors, FAAM Limited stated that the listing of the FAAM Money Market Fund on FMDQ Exchange enhances liquidity, transparency and professional management of the Fund. He went on to add, “We thank our Investors, Shareholders, Directors and Staff for their commitment to providing innovative products and service that will ensure we remain a partner of choice to our target clientele”.

Commenting on behalf of the Registration Member (Listings) of FMDQ Exchange and sponsor of the Fund on the Exchange, Mr. Ebenezer Olufowose, Managing Director, First Ally Capital Limited, during his brief remarks, stated that “As the parent company of First Ally Asset Management Limited and the Issuing House for its Money Market Fund, we are delighted with the over-subscription of the Fund. It is pleasing to know that over 70% of the FAAM Money Market Fund investors applied for 1,000,000 units and below”. He concluded that, “We shall continue to explore innovative products that appeal to retail investors whilst providing bespoke services to our institutional investors and high net-worth individuals”.

As a budding and systemically important financial market infrastructure, FMDQ, driven by innovation, collaborative relationships and technology, is positioned to bring revolutionary changes in the Nigerian financial market through its exchange, clearing and depository infrastructures; providing a seamless process and value-chain for the markets to execute, clear and settle their transactions.



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Corporates Turn to Debt Capital Market for Funding Needs as FMDQ Exchange Admits Bond Listings and Commercial Paper Quotations on the Exchange

FMDQ Exchange continues to avail its credible and efficient platform as well as tailor its Listings, Quotations and Noting services to suit the needs of the Market. On August 28, 2019, the Exchange saw the admittance of the Access Bank PLC ₦30.00 billion 7-Year 15.50% Fixed Rate Subordinated Unsecured Bond. As is tradition at the Exchange, a prestigious listing ceremony will be held in due course to formally commemorate this listing.

There was also the registration of the ₦6.23 billion Commercial Paper Programme of CERPAC Receivables Funding SPV PLC. Issues from this Programme will be quoted on FMDQ Exchange when the issuer is set to tap this, within the limit approved, to meet its short-term funding needs.

Still within the month in view, the debt capital market (DCM) witnessed the entry of other corporates seeking to finance their short/medium/long-term funding needs. To this end, the following securities were successfully admitted to the Exchange:

- FBNQuest Merchant Bank Limited ₦7.18 billion Series 11 – 14 Commercial Papers under its ₦100.00 billion Commercial Paper Programme
- Nigerian Breweries PLC ₦25.00 billion Series 3 and 4 Commercial Papers under its ₦100.00 billion Commercial Paper Programme
- Flour Mills of Nigeria PLC ₦21.1 billion Series 7 - 10 Commercial Papers under its ₦100.00 billion Commercial Paper Programme
- Union Bank of Nigeria PLC ₦30.00 billion Series 3 10-Year Subordinated Unsecure Fixed Rate Bond
- ₦10.00 million units of ₦100.00 each of the Cordros Money Market Fund

There was also an increase of the Commercial Paper Programme of Mixta Real Estate PLC from ₦15.00 billion to ₦20.00 billion.

As these corporates and a host of others continue to effectively and sustainably meet their funding needs, as well as contribute to the development of the nation through their activity in the DCM, FMDQ and its entities will continue to take crucial steps, towards upgrading and aligning the Nigerian financial market in line with its mandate to deepen the sophistication of the markets.

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FMDQ TURNOVER & DEALING MEMBER (BANKS) LEAGUE TABLE

FMDQ Turnover & Dealing Member (Banks)' League Table Report

The FMDQ Market Turnover Report shows the turnover on all products traded on the FMDQ secondary market – Foreign Exchange (FX), Treasury Bills (T.bills), Bonds (FGN Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational) & Eurobonds)) Commercial Papers and Money Market (Repos/Buy-Backs and Unsecured Placements/Takings). These figures exclude primary market auctions in T.bills and Bonds.

The data, collated from the weekly trade data submissions by FMDQ Dealing Member (Banks), represents trades executed amongst the Dealing Member (Banks), Dealing Member (Banks) & Clients, and Dealing Member (Banks) & the CBN.

FMDQ OTC Market Turnover (January - July 2019)

Product Category	(₦'mm)	(\$'mm)
Foreign Exchange	30,401,731	84,153
Foreign Exchange Derivatives	17,880,974	49,501
Treasury Bills	51,056,777	141,289
FGN Bonds	8,341,801	23,095
Other Bonds*	348	1
Eurobonds	161,972	448
Repurchase Agreements/Buy-Backs	26,661,188	73,823
Unsecured Placements/Takings	871,266	2,413
Money Market Derivatives	193,111	535
Commercial Papers	-	-
Total	135,569,167	375,259
<i>No. of Business Days</i>	142	142
<i>Average Daily Turnover</i>	954,712	2,643

Average YTD \$/₦ @ 361.38

mm – million

*Other Bonds include Agency, Sub-national, Corporate & Supranational Bonds

Note: Figures may be subject to change due to potential adjustments from Dealing Member (Banks)

Source: FMDQ Data Portal as @ August 8, 2019; Figures reported by Dealing Member (Banks) on a week-ending basis

The total turnover for the January - July 2019 period amounted to ₦135.57 trillion. Trading activities in Treasury Bills contributed the largest to overall turnover, accounting for 37.66% of the market. FX (Spot FX and FX Derivatives) transactions accounted for 35.61% whilst Repurchase Agreements (Repos)/Buy-Backs product categories (Repos/Buy-backs) accounted for 19.67%, and Bonds, Unsecured Placements & Takings and Money Market Derivatives representing 6.27%, 0.64% and 0.15% respectively, of overall market turnover.

Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January – July 2019)

The FMDQ League Table shows the rankings of its top ten (10) Dealing Member (Banks) by overall market turnover in the FMDQ Markets.

RANK	DEALING MEMBER (BANKS)
1	UNITED BANK FOR AFRICA PLC
2	STANBIC IBTC BANK PLC
3	ACCESS BANK PLC
4	STANDARD CHARTERED BANK NIGERIA LIMITED
5	ECOBANK NIGERIA LIMITED
6	FIRST BANK OF NIGERIA LIMITED
7	CITIBANK NIGERIA LIMITED
8	CORONATION MERCHANT BANK LTD
9	WEMA BANK PLC
10	ZENITH BANK PLC

The top ten (10) Dealing Member (Banks) accounted for 75.74% (₦102.68 trillion) of the overall turnover in the market, with the top three (3) accounting for 54.56% (₦56.02 trillion) of this subsection of the market. United Bank for Africa PLC, Stanbic IBTC Bank PLC occupied the 1st and 2nd positions respectively, while Access Bank PLC maintained the 3rd position in the value traded for the review period.

FMDQ Fixed Income Primary Markets Sponsors’ League Table (Q2 2019)

The FMDQ Fixed Income Primary Markets Sponsors’ League Table shows the rankings of sponsors of fixed income securities (excluding FGN Bonds and T.bills) on FMDQ Exchange. The Registration Member (Listings) (“RML”) and Registration Member (Quotations) (“RMQ”) (collectively referred to as “Registration Members” or “RMs”) are the FMDQ Exchange-authorized sponsors of these securities listed and quoted on the Exchange.

RANK	BONDS	COMMERCIAL PAPERS
	REGISTRATION MEMBER (LISTINGS) (RMLs)	REGISTRATION MEMBER (QUOTATIONS) (RMQs)
1.	Stanbic IBTC Capital Ltd.	FBNQuest Merchant Bank Ltd.
2.	Dunn Loren Merrifield Advisory Partners Ltd.	Stanbic IBTC Capital Ltd.
3.	Chapel Hill Denham Advisory Ltd.	Coronation Merchant Bank Ltd.
4.	United Capital PLC	
5.	FBNQuest Merchant Bank Ltd.	

The top three (3) sponsors in both the bond and CP markets were Stanbic IBTC Capital Ltd., FBNQuest Merchant Bank Ltd. and Dunn Loren Merrifield Advisory Partners Ltd., contributing 81.33% to total issuances in the review period. Stanbic IBTC Capital Ltd., occupying the 1st position, contributed 39.71% to total issuances and participated in both the bond and CP markets. FBNQuest Merchant Bank Ltd. and Dunn Loren Merrifield Advisory Partners Ltd. contributed 32.05% and 9.56% respectively to total issuances in the period.

FMDQ Fixed Income Primary Markets Solicitors' League Table (Q2 2019)

The FMDQ league table represents the top solicitors of debt securities listed and/or quoted on FMDQ excluding FGN Bonds and T.bills.

RANK	BONDS	COMMERCIAL PAPERS
	SOLICITORS TO THE ISSUE	SOLICITORS TO THE ISSUE
1.	Banwo & Ighodalo	G. Elias & Co.
2.	Perchstone & Graeys	Udo Udoma & Belo Osagie
3.	Wigwe & Partners	Banwo & Ighodalo

The most active solicitor for the review period was Banwo & Ighodalo participating as solicitors in both the bond and CP markets for the review period. G.Elias & Co. and Udo Udoma & Belo Osagie ranked 2nd and 3rd respectively by value, participating solely in the CP market. The combined value of the top three (3) solicitors for the first half of 2019 (in both the bond and CP markets) was ₦151.00 billion.

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UPCOMING EVENTS

The 2019 Nigerian Capital Market Conference & GOLD Awards Ceremony

As the global financial markets become increasingly sophisticated, the need to continually revitalise the Nigerian economy, a compelling destination of capital, amidst economic headwinds and market risks, remains crucial. It is to this end that FMDQ Exchange is set to host **the 2019 Nigerian Capital Markets Conference (“the Conference”) and GOLD Awards on November 7 & 8, 2019 in Lagos, Nigeria.**

FMDQ
Exchange Clearing Depository

2019 Nigerian Capital Markets Conference and GOLD Awards

NOVEMBER 7 & 8 LAGOS, NIGERIA

For sponsorship and partnership enquiries, contact Uzo on 09070359970 or Teju on 09070359971. Alternatively, email: goldawards@fmdqgroup.com

FMDQ Set to Hold Series II Derivatives Market Training for Market Participants

The FMDQ Derivatives Market Development Project (the “Project”) was activated in 2018 to set the tone for and facilitate the launch of a standardised derivatives market in the Nigeria. As part of the Derivatives Project Stakeholder Engagement and Sensitisation plan, FMDQ Exchange, through the FMDQ Academy franchise, kicked off a series of training sessions designed to address the diverse interests represented in the derivatives market and provide a holistic understanding of the derivatives market ahead of the official launch of new products into the market for market participants.

The first stream of the training series held between April and May 2019. Series II of this training is set to commence on September 13, 2019, with a session for the media and capital market correspondents; other sessions for regulators, market participants etc. will run through the rest of September and into October 2019.



Introduction to Financial Market Infrastructure – Part 1

Financial Market Infrastructures (FMIs) are critical architectures pertinent to achieve and sustain the stability of a country's financial system. They exist to provide shared processes (or services) that are specifically designed to reduce cost and operational complexity, thereby leading to improved efficiency; and play a central role in facilitating the clearing and settlement of financial transactions in the securities market.

According to United States of America Federal Reserve, "FMIs are multilateral systems among participating financial institutions, including the system operator, used for the purposes of clearing, settling, or recording payments, securities, derivatives, or other financial transactions". Generally, FMIs coordinate a network of counterparties, supporting trade liquidity, netting risk exposures and fulfilling settlement obligations of the counterparties.

Types of Financial Market Infrastructures

There are different categorisation of FMIs. These include payment systems, central securities depositories (CSDs), securities settlement systems, central counterparties (CCPs) and trade repositories.

1. **Payment Systems:** Payment systems set up to settle financial market transactions through the transfer of money. They comprise the instruments, procedures, and rules for the transfer of funds between or among the participants on any given exchange/platform. The system includes the participants and the entity operating the arrangement
2. **Central Securities Depositories:** CSDs are responsible for holding securities, either in physical form or electronic (or dematerialised) form; such that ownership of these can be transferred to another party at the end of a given transaction. CSDs provide securities accounts, central safekeeping services, which may include the administration of corporate actions and redemptions, amongst others
3. **Securities Settlement Systems:** These are systems that permit a security to be transferred and settled, either free of payment, against payment (delivery versus payment) or against another asset (delivery vs delivery). These systems enable securities to be transferred and settled by book entry according to a set of predetermined multilateral rules
4. **Central Counterparties:** Counterparties are the two parties on either side of a transaction. A CCP, therefore, interposes itself between the counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby

ensuring the performance of open contracts. The activity of CCPs reduces counterparty, operational, settlement, market, legal, and default risks for market participants

5. Trade Repositories: A trade repository as an entity keeps transaction data centrally. Important functions of trade repositories include provision of information that supports risk reduction, operational efficiency and effectiveness, and cost savings for both individual entities and the financial market. Typically, a trade repository collects and maintains the records of over the counter (OTC) derivatives

To ensure that FMIs remain strengthened and in order to preserve global financial stability, twenty-four (24) principles were issued to guide the administration of FMIs. These would be highlighted in the next edition of FMDQ Learning. Stay tuned.

Benefits of Financial Market Infrastructures

FMIs are critical to any proper functioning financial market. Some of the key benefits of FMIs include the following:

1. They facilitate efficient interaction of financial market participants
2. They enable central and timely settlement of contractual obligations (or trades) of multiple counterparties via a single entity (or system) rather than many bilateral relationships
3. They reduce transaction costs between market participants
4. They assist institutions in the management of counterparty credit risks
5. They help to coordinate actions when there is a default or disagreement amongst market participants

Despite the above benefits, it is key to note that FMIs may concentrate risk. Hence, if not properly managed, FMIs can be a source of financial market shocks; such as liquidity dislocations and credit losses, or a major channel through which these losses are transmitted across domestic and international financial markets.

FMDQ's Emergence as a Diversified and Vertically Integrated Financial Market Infrastructure Group

As reported above, on Monday August 5, 2019, a new name was unveiled for FMDQ Exchange having transitioned from an OTC Market to a full-fledged Securities Exchange. In addition to this and following the successful registration of FMDQ Exchange's wholly owned subsidiary, FMDQ Depository, to carry on the role of a depository in the Nigerian financial market, completing the spectrum of market infrastructure required to become an FMI, following the prior registration and Operationalisation of FMDQ Clear, FMDQ and its entities – FMDQ Exchange, FMDQ Clear and FMDQ Depository – have emerged as Africa's first diversified and vertically integrated FMI group positioned to list, execute, clear, settle and provide data services in the Nigerian financial markets.

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