



FMDQ SPOTLIGHT

NEWSLETTER EDITION 66 – APRIL 2020



FMDQ

The logo features the letters 'FMDQ' in a bold, blue, sans-serif font. To the left of the 'F' are three horizontal bars of varying lengths, colored grey, blue, and yellow from top to bottom. The letter 'Q' has a stylized tail consisting of three curved lines in white and blue.



Did you know that you can learn about the Fixed Income, Foreign Exchange and Derivatives Markets from the comfort of your homes for **FREE on **FMDQ Academy**?**



Visit www.fmdqacademy.com to view courses and get started.

Accessible on all devices.

#StayUpdated #StayHome #FMDQCares

▪ EXCHANGE ▪ CLEARING ▪ DEPOSITORY ▪ PRIVATE MARKETS

FIXED INCOME

CURRENCIES

DERIVATIVES

EQUITIES

While You #StayHome and #StaySafe, We are Here for You.



HOTLINES

FMDQ Exchange

09070359954
09070359962
09070359959

FMDQ Clear

09070478290
09070359960

FMDQ Depository

09070359957
09070478278

FMDQ Group

09070359970
09070359962

FMDQ Private Markets

09070359972

Other General Matters

+234-1-7008555

info@fmdqgroup.com @FMDQGroup

www.fmdqgroup.com





C O N T E N T S

- **New Stories**
 - SEC, FMDQ Depository Revolutionise Depository Services in Nigeria
 - FMDQ Exchange Extends Registration Members' Quarterly Compliance Report Submission
 - FMDQ Depository Engages Participants, Holds Webinar on Post-Trade Market Structure
 - The 46th FX Futures Contract Matures and Settles on FMDQ
- **At a Glance**
 - FMDQ Clear – Update on Clearing and Settlement Activities
 - FMDQ Depository – Update on Onboarded Securities
- **FMDQ Listings & Quotations**
 - FMDQ Exchange Admits Flour Mills of Nigeria Bonds and the Nigeria Infrastructure Debt Fund to its Platform
 - FMDQ Admits Coronation Merchant Bank, United Capital and Sterling Bank Commercial Papers to its Platform
- **FMDQ Turnover and Dealing Member (Banks) League Table**
 - FMDQ Market Turnover Report (January - March 2020)
 - Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January - March 2020)
 - FMDQ Fixed Income Primary Markets Sponsors' Quarterly League Table (Q1 2020) - Registration Member (Listings & Quotations) and Solicitors
- **FMDQ Learning**
 - Understanding the Repurchase Agreements Market

SEC, FMDQ Depository Revolutionise Depository Services in Nigeria

... FMDQ Depository Appointed Sole Depository to Lagos State ₦100.00 billion Bond and Joint Depository to Dangote Cement ₦100.00 billion Bond

In June 2019, the Securities and Exchange Commission (SEC), in another unprecedented and forward-thinking market development posture, registered another depository, FMDQ Depository Limited (FMDQ Depository) in the Nigerian capital markets after the existence of a sole depository for over 26 years; thereby empowering issuers and investors with freedom of choice, value and enhanced service delivery. FMDQ Depository commenced delivering on its operational mandate to implement value-added products and service offerings; with FMDQ Holdings PLC (FMDQ Group or FMDQ) providing efficient listing and trading services through FMDQ Securities Exchange Limited (FMDQ Exchange) and the much-required risk management, clearing and settlement services through FMDQ Clear Limited (FMDQ Clear); offering market participants an unrivalled opportunity to experience enhanced liquidity and straight-through-processing.

With the support of market stakeholders, FMDQ Depository has successfully onboarded some of the choicest bonds onto its platform, with its appointment as sole depository to the Lagos State Government ₦100.00 billion Bond, and more recently, as a joint depository to the Dangote Cement ₦100.00 billion Bond. The foresight of Lagos State Government in choosing FMDQ Depository for its most recent bond is an indication of the State's alignment with progressive market development in Nigeria. Indeed, Dangote Cement PLC should also be commended as it has made history by giving investors power, for the first time in the Nigerian capital market, to determine which depository to lodge their assets with, thereby validating the SEC's vision of diversification and healthy competition for the market, motivated by FMDQ's global competitiveness agenda. As FMDQ Depository is not saddled with the administrative task of allocating the International Securities Identification Numbers (ISINs) and Legal Entity Identifiers (LEIs), the Depository will remain focused on building its core competencies, including efficient and value-added service delivery to market stakeholders, which is the crux of the depository service.

To ensure operational efficiency and facilitate ease of implementing investor's choice of depository, FMDQ Depository had been advocating, right from its inception, for the SEC-registered central securities depositories (CSDs) in Nigeria to embrace operational collaboration towards promoting the global agenda for interoperability between their systems, thereby effectively empowering investors to deal on their Exchange of choice in Nigeria, irrespective of which depository their assets are held.

[Click here to know more](#)

[Back to Top](#)

FMDQ Exchange Extends Members' Timeline for Submission of Reports, Provides Uninterrupted Securities Admission Service

As part of FMDQ's commitment to the general well-being of the FMDQ markets and its participants alike in the face of the COVID-19 pandemic, FMDQ Exchange in its role as a market organiser in the Nigerian financial market has approved the extension of the deadline for the submission of the Quarterly Compliance Reports (the Reports) for the first quarter of 2020 till Friday, May 15, 2020.

These Reports are submitted by FMDQ Exchange's Registration Members (Listings and Quotations) for sponsored securities currently listed and/or quoted on the Exchange. The extension aims to ameliorate the Exchange's Members whose reporting obligations to the Exchange have been affected by the disruptions caused by the COVID-19 pandemic.

In committed to our role and mandate as a financial market infrastructure group in Nigeria, FMDQ Group and its wholly owned subsidiaries, has unveiled incentives to ameliorate the effect of COVID-19 disruptions for all Members.

Furthermore, the Exchange continues to provide uninterrupted Securities Admission Service since the commencement of the remote working arrangement at Exchange Place which took effect from March 26, 2020; listing and quoting over five (5) securities within the month in view. Issuers and investors seeking to raise capital from the capital market to support their businesses during this time and beyond, are, therefore, guaranteed the continued availability of the credible and efficient platform at FMDQ Exchange to transfer value and manage risks, amongst others.

Despite the economic headwinds, FMDQ Group strives to sustain the resilience and transparency of the Nigerian capital markets even as the effect of the pandemic continues to loom. Through effective stakeholder engagement, the Group shall continue to promote the required initiative and activities to support economic growth and development in Nigeria.

[Back to Top](#)

FMDQ Depository Engages Participants, Holds Webinar on Post-Trade Market Structure

Recognising the importance of continuous stakeholder engagement, and particularly in view of the disruptions caused by the COVID-19 pandemic, FMDQ Depository, in line with the commitment of FMDQ Group to support its Members as they uphold the integrity of the markets during this period and beyond, waived the sub-account creation fee for issuers and investors warehousing their investments in the Dangote Cement PLC's Series 1 ₦100 billion debut bond which was issued and

oversubscribed within the month in view and for which FMDQ Depository holds a mandate as the joint depository.

In same vein, the Depository held a webinar for its stakeholders on Thursday, April 30, 2020, to discuss the post-trade market structure as well as the effectiveness of response strategies to its business operations. The well-attended webinar provided an interactive and much-required avenue for the Depository's stakeholders to deliberate on their operational modalities and business activities in view of the challenges posed by the COVID-19 pandemic.

[Back to Top](#)

The 46th FX Futures Contract Matures and Settles on FMDQ

On Wednesday April 29, 2020, the 46th FX Futures contract – NGUS APR 29 2020 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 to circa \$30.35 billion; with a total of about \$46.17 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 forty-five (45) maturities, introduced a new contract, NGUS APR 30 2025 for \$1.00 billion to replace the matured contract. The apex bank also refreshed its quotes on the existing 1- to 60-month contracts.

The contracts quotes are published daily on FMDQ's website at www.fmdqgroup.com and on the FMDQ Twitter page, [@FMDQGroup](https://twitter.com/FMDQGroup).

Click [here](#) to see all Open Contracts.

[Back to Top](#)

At a Glance: Update from FMDQ Clear

For the period in view, FMDQ Clear Limited, set to become the Central Counterparty for the Nigerian financial market, continued to deliver on its commitment to upgrade the markets in line with its mandate to propel efficiency through its risk management, clearing and settlement activities. The level of integrity restored to the markets through the activities of FMDQ Clear have continued to be evident as shown in the table below, across the derivatives (currency futures) and fixed income markets.

The tables below provide an overview of the clearing and settlement activities for February and March 2020.

Table 1: Clearing and Settlement Activities in the Currency Futures Market

S/N	Currency Futures (as at Mar. 31, 2020)	February	March	Change (%)
Clearing				
1	No. of Traded & Cleared Contracts	3,687	4,434	20.26
2	Value of Traded & Cleared Contracts (\$'bn)	38.43	43.36	12.83
3	Value of Open Contracts (as at Mar. 31, 2020) (\$'bn)	10.87	14.52	33.58
Settlement				
4	No. of Matured & Settled Contracts	2,986	3,093	3.58
5	Value of Matured & Settled Contracts (\$'bn)	27.56	28.84	4.64

Table 2: Clearing and Settlement Activities in the Sovereign Fixed Income Market

S/N	Sovereign Fixed Income	February	March	Change (%)
1	Total Value of Trades Processed (₦'bn)	7,218.31	8,352.07	15.71
2	Value of Trades Settled (₦'bn)	6,927.57	7,925.81	14.41
3	Value of Unsettled Trades (₦'bn)	290.75	426.27	46.61

Table 3: Clearing and Settlement Activities in the Non-Sovereign Fixed Income Market

S/N	Non-Sovereign Fixed Income	February	March	Change (%)
1	Total Value of Trades Processed (₦'bn)	5.51	15.82	187.11
2	Value of Trades Settled (₦'bn)	3.65	12.13	232.33
3	Value of Unsettled Trades (₦'bn)	1.86	3.69	98.39

For more on FMDQ Clear, please click [here](#)

[Back to Top](#)

At a Glance: Update from FMDQ Depository

As a crucial function of the financial market infrastructure value chain, FMDQ Depository, through its provision of custody and settlement services, strives for excellence in its quest to provide unrivalled services to financial market stakeholders, particularly, issuers and investors. As the choice depository for the Nigerian financial market, FMDQ Depository, within the month of April, 2020, was appointed a joint depository to the:

- The Dangote Cement PLC ₦100.00bn Series 1 Bonds under its ₦300.00 billion Fixed Rate Bond Issuance Programme

The appointment of this security alongside others on the Depository positively reinforces the agenda and commitment of FMDQ Group to offer innovative and seamless services towards making the Nigerian financial markets GOLD – **G**lobally Competitive, **O**perationally excellent, **L**iquid and **D**iverse.

To entrust your investments to FMDQ Depository and experience its efficient services, click [here](#) to know more.

[Back to Top](#)



Did you know that you can hedge your FX exposures with the OTC FX Futures traded on FMDQ Exchange?



Contact an Authorised Dealer (Bank) to get started.

Visit <https://www.fmdqgroup.com/markets/products/derivatives/> to learn more.

• EXCHANGE • CLEARING • DEPOSITORY • PRIVATE MARKETS

dmg@fmdqgroup.com

www.fmdqgroup.com

FIXED INCOME

CURRENCIES

DERIVATIVES

EQUITIES

+234-907-035-9954

@FMDQGroup

Entrust Your Assets To **FMDQ Depository**

**Market Making
Liquidity for Bonds**

**₺16.91
trillion**

2019

**FACTS
SPEAK**

**Efficient
Repo Structure**

**₺44.29
trillion**

2019

FMDQ Exchange

Be Part of the Integrated Financial Market Structure

+234-907-004-7622



FMDQ LISTINGS & QUOTATIONS

FMDQ Exchange Lists Flour Mills of Nigeria Bonds and the Nigeria Infrastructure Debt Fund on its Platform

Committed to providing uninterrupted services to all stakeholders in light of the continued remote working for employees of FMDQ Group during the month in view, FMDQ Exchange, has, as with other FMDQ entities, continued to validate this commitment as it announced the admission for listing of the Flour Mills of Nigeria PLC Series 3 ₦12.49 billion Tranche A and ₦7.50 billion Tranche B Fixed Rate Senior Unsecured Bonds (the Flour Mills of Nigeria Bonds), under the ₦70.00 billion Bond Issuance Programme; and the Chapel Hill Denham Nigeria Infrastructure Debt Fund Series 6 162.72 million Units of ₦100.00 each at ₦109.72 (the Chapel Hill NIDF or the Fund) under the ₦200.00 billion Issuance Programme; onto the platform of the Exchange.

These listings by these corporates continue to validate FMDQ Exchange as the choice platform for the registration, listing, quotation, trading and recording of financial securities in the Nigerian financial market. In turn, FMDQ Exchange strives to remain innovative even as it continues to provide timely and cost-efficient services, as may be necessary, to support its stakeholders, particularly issuers and investors, towards accessing capital, managing risks and invariably, improving their corporate profile. As it has become tradition for FMDQ Exchange, these securities shall be availed benefits of FMDQ Exchange's prestigious listings and quotations service including global visibility through the FMDQ Exchange website and systems, governance, credible price formation and continuous information disclosure to protect investor interest, amongst others.

With a vision to be "the leading African builder of ecosystems of financial infrastructure and services for markets"; and a mission to "collaborate to empower markets for economic progress towards delivering prosperity", FMDQ Group is committed to continuous innovation and stakeholder engagement, towards making the Nigerian financial markets globally competitive, operationally excellent, liquid and diverse.

For more on Listings and Quotations on FMDQ Exchange, click [here](#).

[Back to Top](#)

FMDQ Exchange Admits Coronation Merchant Bank, United Capital and Sterling Bank Commercial Papers on its Platform

The FMDQ commercial paper market has continued to provide succour for corporates in the Nigerian financial market by providing a viable platform for these to raise finance to fund their capital requirements. In line with the Exchange's mandate to further deepen and effectively position its markets for growth, FMDQ Exchange successfully admitted the quotation of the following commercial papers (CPs) onto its platform within the month in view:

1. Coronation Merchant Bank Limited ₦0.32 billion Series 7 and ₦6.64 billion Series 8 CP under the ₦100.00 billion CP Issuance Programme
2. United Capital PLC ₦1.35 billion Series 1 and ₦3.97 billion Series 2 Commercial Papers under its ₦20.00 billion CP Issuance Programme
3. Sterling Bank PLC ₦6.85 billion Series 1 Tranche A and ₦8.15 billion Series 2 Tranche A CPs under its ₦100.00 billion CP Issuance Programme

These commercial papers like all other securities listed, quoted and traded on the FMDQ Exchange platform shall be made visible to investors and other market participants through the FMDQ Exchange's website and systems, as well as FMDQ's Daily Quotations List. Investors shall also benefit from the continuous information disclosure and transparency availed to these securities.

For more on Listings and Quotations on FMDQ Exchange, click [here](#).

[Back to Top](#)

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 Market Turnover (January - March 2020)

Product Category	(₦'mm)	(\$'mm)
Foreign Exchange	16,112,538	43,952
Foreign Exchange Derivatives	13,362,232	36,415
Treasury Bills	22,916,122	62,488
FGN Bonds	7,944,779	21,692
Other Bonds*	3	-
Eurobond	106,273	288
Repurchase Agreements/Buy-Backs	11,274,908	30,760
Unsecured Placements/Takings	556,655	1,517
Money Market Derivatives	50,244	138
Commercial Papers	-	-
Total	72,323,754	197,250

No. of Business Days	64	64
Average Daily Turnover	1,130,059	3,082

Average YTD \$/₦ @ 366.53

mm – million

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

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

Source: FMDQ Data Portal as @ April 3, 2020; Figures reported by Dealing Member (Banks) on a week-ending basis

The total turnover for the January to March 2020 period amounted to ₦79.19 trillion. Trading activities in FX (Spot FX and FX Derivatives) contributed the largest to overall turnover, accounting for 40.75% of the market. Treasury Bills transactions accounted for 31.69% whilst Repurchase Agreements (Repos)/Buy-Backs product categories (Repos/Buy-backs) accounted for 15.59%, and Bonds, Unsecured Placements & Takings and Money Market Derivatives representing 10.99%, 0.77% and 0.07% respectively, of overall market turnover.

Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January - March 2020)

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	STANBIC IBTC BANK PLC
2	ACCESS BANK PLC
3	UNITED BANK FOR AFRICA PLC
4	STANDARD CHARTERED BANK NIGERIA LIMITED
5	FIRST BANK OF NIGERIA LIMITED
6	ZENITH BANK PLC
7	CORONATION MERCHANT BANK LIMITED
8	ECOBANK NIGERIA LIMITED
9	CITIBANK NIGERIA LIMITED
10	FIRST CITY MONUMENT BANK LIMITED

The top ten (10) Dealing Member (Banks) accounted for 75.41% (₦79.19 trillion) of the overall turnover in the market, with the top three (3) accounting for 58.29% (₦46.17 trillion) of this sub-section of the market. Stanbic IBTC Bank PLC, Access Bank PLC occupied the 1st and 2nd positions respectively, while United Bank for Africa PLC obtained the 3rd position in the value traded for the review period.

[Back to Top](#)

FMDQ Fixed Income Primary Markets Sponsors' League Table (January – March 2020)

The FMDQ Fixed Income Primary Market Sponsors' League Table is a ranking of the sponsors of fixed income securities (excluding Federal Government of Nigeria Securities i.e. FGB Bonds and Treasury Bills on FMDQ Exchange. The Registration Member (Listings) (RML) and Registration Member Quotations (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	RANK	COMMERCIAL PAPERS
	REGISTRATION MEMBER (LISTINGS) (RMLs)		REGISTRATION MEMBER (QUOTATIONS) (RMQs)
1 st	Chapel Hill Denham Advisory Limited	1 st	Stanbic IBTC Capital Limited
2 nd	United Capital PLC	2 nd	FCMB Capital Markets Limited
3 rd	Stanbic IBTC Capital Limited	3 rd	FBN Quest Merchant Bank Limited
		4 th	Union Capital Markets Limited
		5 th	Renaissance Securities Nigeria Limited
		5 th	Rand Merchant Bank Nigeria Limited
		6 th	Chapel Hill Denham Advisory Limited
		6 th	Coronation Merchant Bank Limited
		6 th	EAC Advisory Limited
		7 th	Citibank Nigeria Limited
		8 th	Cordros Capital Limited

The top three (3) sponsors in both the bond and CP markets were Stanbic IBTC Capital Limited, Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited respectively, contributing 66.61% to total issuances in the review period. Stanbic IBTC Capital Limited, occupying the 1st position, contributed 34.72% to total issuances and participated in both the bond and CP markets. Chapel Hill Denham Advisory Limited and FCMB Capital Markets Limited contributed 19.08% and 12.81% respectively to total issuances in the period.

[Back to Top](#)

Understanding the Repurchase Agreements Market

A Repurchase Agreement (“Repo”) is a financial market transaction between two (2) counterparties in which one party sells a financial asset (usually fixed income securities) to the other party at an agreed price and simultaneously commits to buy (i.e. repurchase) the same or identical financial asset from the other party at an agreed price at a future date. In summary, it is an agreement for the sale and future repurchase of a financial asset.

The party that sells and commits to repurchase the financial asset is referred to as the Repo Seller while the counterparty to the transaction (i.e. the initial buyer and future reseller of the financial asset) is called the Repo Buyer, who will then be deemed to have executed a Reverse Repo. The difference between the sale and repurchase price reflects the rate of interest to be earned by the cash provider.

Essentially, Repos are short-term funding transactions collateralised by the financial asset used in the Repo transaction. The Repo Seller is usually an institution that has short-term cash needs while the Repo Buyer is an institution that has excess cash and is looking to earn some returns on its cash.

Types of Repo Transactions

There are various types of Repo transactions mainly dependent on the legal/contractual setup. The following are the common types across the global financial markets:

1. Classic Repos
2. Open Repos (Open Buy Back Agreements/Demand Repos)
3. Sell/Buy-Back Agreements
4. Tri-Party Repos
5. Securities Lending

More on these types of Repo transactions will be covered in subsequent editions of FMDQ Learning.

Importance of the Repo Market

The Repo market is pivotal to the efficient functioning of financial markets globally as they facilitate the flow of cash and securities in these markets, and when properly organised, support liquidity, depth and price discovery in the capital markets. The importance of Repo markets to the smooth functioning of the financial markets include *inter alia*:

- They provide an efficient source of short-term funding by allowing participants to borrow to meet their funding needs
- They also provide investment opportunities with reduced risk to financial markets participants by allowing on-lending to borrowers in order to earn some return on their free cash
- Most Repo transactions are backed by liquid financial assets (collateral) thus minimising the counterparty risk as well as lowering the cost of funding for participants
- Repos enhance the size of participation in the securities primary market by providing a source of short-term funding for participants to participate in new issuances
- Repo markets also represent an avenue for Central Banks globally to implement their monetary policies especially through open market operations to control money supply
- Repo markets also promote the intermediation activities of banks by providing access to short-term capital used to fund short-term loans (overdrafts and trade finance facilities) availed to customers

While different types of financial assets can be used as collateral in Repo transactions, Repo transactions globally are predominantly based on highly liquid fixed income securities such as sovereign bonds, notes and bills (e.g. Federal Government of Nigeria Bonds or Nigerian Treasury bills) and other fixed income securities such as corporate bonds, municipal bonds, mortgage-backed securities, etc.

Repos can be contracted for various maturities, from overnight to longer terms. Parties to these ‘term’ Repos will agree on the maturity date at the inception of the transaction. In contrast, Open Repos have no defined maturity date, with the interest rate and term being renegotiated each day until the parties to the trade agree to let it mature.

Within the Nigerian market, a turnover of circa ₦24.99 trillion¹ was recorded in the Repo market as at year-end 2019.

Key Participants in the Repo Market

Traditionally, the principal users of Repos on the sellers’ side of the market are securities market intermediaries (market makers and other securities dealers typically called ‘Broker-Dealers’ or ‘Investment Banks’) and bond investors seeking funding. On the buyers’ side, the principal traditional users are cash investors seeking secure short-term investments, many of whom are highly risk averse. These include commercial banks, asset managers, large non-bank financial institutions & non-financial corporates etc.

Other key participants include financial market infrastructures such as Securities Exchanges, Clearing Houses and Central Securities Depositories as well as market regulators who organise and govern the Repo markets.

¹ Source: FMDQ Weekly Data Portal

Most Central Banks rely on the Repo market as the main channel for the transmission of monetary policy to the wider financial market and to provide emergency assistance to the banking system.

Common Repo Market Terminologies

Repo markets, like other segment in the financial markets, have certain terminologies routinely used by market participants. Table 1 below provides some of the terminologies used in Repo markets globally:

Table 1. Repo Market Terminologies

Terminology	Definition
Transaction Date	This is the date on which the Repo is agreed by the transaction parties, i.e. the Repo Seller and Buyer.
Value/Purchase Date	This is the date on which the Repo Seller receives the cash amount for the securities sold.
Maturity/Repurchase Date	This is the date on which the securities sold is repurchased by the Repo Seller.
Purchase Price	This is the price paid by the Repo Buyer on the Value/Purchase date.
Collateral	This is the asset/securities sold by the Repo Seller on the Value/Purchase date.
Repo Rate	This is the annualised interest rate agreed and payable on the cash amount received by the Repo Seller on the Value/Purchase Date
Repurchase Price	The price at which a seller (dealer) agrees to buy a security back from a buyer (customer) at a predetermined future date.
Haircut	This is the difference between the initial market value of the asset/security and the Purchase Price paid for the asset/security at the initiation of the Repo.
Master Agreement	This is a framework agreement between the transaction counterparties to a Repo, containing standard contractual provisions to apply to all the repo trades executed.

Conclusion

Globally, Repo markets have witnessed considerable growth and development in terms of breadth of participants and transaction volumes. They have evolved from being exclusive funding markets for banks to large scale markets for short-term funding and portfolio management and barometers for financial system stability. Repo markets impact the economic growth by facilitating and enhancing financial intermediation through the mobilisation of funds required for investments from surplus to deficit sectors in the economy.

[Back to Top](#)

DISCLAIMER

The FMDQ Learning segment is produced by FMDQ Group for information purposes only. FMDQ IS NOT an investment advisor, and it does not endorse or recommend any securities or other investments. Market data and certain other information that may appear in this segment, as well as reference materials and/or links to other sites, have been compiled from publicly available sources believed to be reliable and are for general informational purposes only. It does not constitute any offer, recommendation, or solicitation to any person to enter any transaction or adopt any hedging, trading, or investment strategy, nor does it constitute any prediction to likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration contained therein. All rates and figures appearing are for illustrative purposes only. The accuracy or completeness of the information contained herein is not guaranteed and is not intended to be relied upon for investment purposes.

FMDQ Group, its subsidiaries – FMDQ Exchange, FMDQ Clear, FMDQ Depository, FMDQ Private Markets and iQx Consult -, affiliates, third party information providers, or any of these entities' officers, employees, directors, or agents have not: (1) attested to the merit of the information provided in this segment or on any of these securities; or (2) endorsed or sponsored any of these securities. **ADVICE FROM A SECURITIES PROFESSIONAL IS STRONGLY ADVISED.**

All information is provided "as is" without warranty of any kind. FMDQ Group, its subsidiaries, affiliates, and the third-party information providers make no representations and disclaim all express, implied, and statutory warranties of any kind to user and/or any third-party including warranties as to accuracy, timeliness, completeness, merchantability, or fitness for any purpose.

Unless, in the event of willful tortious misconduct or gross negligence, FMDQ, its subsidiaries, affiliates and the third-party information providers have no liability in tort, contract, or otherwise (and as permitted by law, product liability), to user and/or any third party. FMDQ Group, its subsidiaries, affiliates and the third-party information providers shall under no circumstance be liable to user, and/or any third party for any lost profits or lost opportunity, indirect, special, consequential, incidental, or punitive damages whatsoever, even if FMDQ Group has been advised of the possibility of such damages.