



FMDQ SPOTLIGHT

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NEW STORIES

62nd FX Futures Contract Matures and Settles on FMDQ

On Wednesday August 25, 2021, the 62nd FX Futures contract – NGUS AUG 25 2021 with a nominal value of \$518.04 million, matured and settled on FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “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 \$52.15 billion; with a total of about \$55.86 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 Limited (“FMDQ Clear”).

The Central Bank of Nigeria (CBN), as observed over the last sixty (60) maturities, introduced a new contract, NGUS AUG 26 2026 for \$1.00 billion at \$/₦614.32 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

[Click here to view Open FMDQ OTC FX Futures Contracts](#)

At a Glance: Update from FMDQ Clear

FMDQ Clear is Nigeria's premier Central Counterparty (CCP). Registered by the SEC, FMDQ Clear provides post-trade services to enhance the integrity of and eliminate the inherent counterparty risks in financial market transactions, whilst facilitating settlement finality, towards delivering capital and cost efficiencies, and de-risking the Nigerian financial markets.

The tables below provide an overview of the clearing and settlement activities cutting across the derivatives (currency futures) and fixed income markets.

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

S/N	Currency Futures (as of July 31, 2021)	June	July	Change (%)
Clearing				
1	No. of Traded & Cleared Contracts	5,443	5,464	0.39
2	Value of Traded & Cleared Contracts (\$'bn)	55.65	55.85	0.36
3	Value of Open Contracts (as of July 31, 2021) (\$'bn)	4.23	4.19	(0.86)
Settlement				
4	No. of Matured & Settled Contracts	5,052	5,086	0.67
5	Value of Matured & Settled Contracts (\$'bn)	51.40	51.64	0.46

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

S/N	Sovereign Fixed Income	June	July	Change (%)
1	Total Value of Trades Processed (₦'bn)	3,922.08	3,390.42	(13.56)
2	Value of Trades Settled (₦'bn)	3,665.98	3,266.65	(10.89)
3	Value of Unsettled Trades (₦'bn)	256.10	123.76	(51.67)

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

S/N	Non-Sovereign Fixed Income	June	July	Change (%)
1	Total Value of Trades Processed (₦'bn)	5.27	0.64	(87.83)
2	Value of Trades Settled (₦'bn)	4.14	0.43	(89.60)
3	Value of Unsettled Trades (₦'bn)	1.14	0.21	(81.49)

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

At a Glance: Update from FMDQ Depository

FMDQ Depository Limited ("FMDQ Depository"), registered by the SEC, is positioned to provide a safe depository for financial markets assets, as well as facilitate settlement of capital market transactions. With innovation at the core of FMDQ Group's existence, the efficient and integrated linkages amongst FMDQ Exchange, FMDQ Clear and FMDQ Depository guarantee seamless market making for all securities held on the FMDQ platform.

With the support of market stakeholders, FMDQ Depository has successfully admitted the following securities on its platform during the month of August:

- Trustbanc Holdings Limited ₦1.70 billion Series 2 Commercial Paper (CP) under its ₦20.00 billion CP Issuance Programme
- Coleman Technical Industries Limited ₦0.15 billion Series 1 and ₦3.80 billion Series 2 CPs under its ₦20.00 billion CP Issuance Programme
- Dangote Cement PLC ₦3.64 billion Series 1 (Tranche A), ₦10.45 billion Series 1 (Tranche B) and ₦35.91 billion Series 1 (Tranche C) Fixed Rate Bonds under its ₦300.00 billion Multi-Instrument Issuance Programme

These securities which are lodged on FMDQ Depository, will be availed efficient and seamless issue admittance and distribution, an accurate record-keeping platform, as well as efficient value chain linkages guaranteed by FMDQ's vertically integrated structure (Exchange, Central Counterparty & Depository), amongst other value-added services.

For more information on FMDQ Depository service offerings, please click [here](#)

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FMDQ LISTINGS & QUOTATIONS

FMDQ Exchange Admits Dangote Cement PLC Series 1 Bond on its Platform

As a securities exchange with a commitment to facilitate growth and development in the Nigerian debt capital market (DCM) and the Nigerian economy at large, FMDQ Exchange continues to show its commitment to promoting an efficient, transparent, and well-regulated market, which will attract and retain both domestic and foreign investors. It is in this regard that FMDQ Exchange approved the listing of the Dangote Cement PLC (“Dangote Cement” or the “Issuer”) ₦3.64 billion Series 1 (Tranche A), ₦10.45 billion Series 1 (Tranche B) and ₦35.91 billion Series 1 (Tranche C) Fixed Rate Bonds under its ₦300.00 billion Multi-Instrument Issuance Programme (the “Programme”) on its platform. This listing comes shortly after the successful registration of the Dangote Cement PLC ₦150.00 billion Commercial Paper Programme within the same period.

The Multi-Instrument Programme allows the Issuer to raise funds from the DCM through the issuance of various medium- to long-term debt securities such as green bonds, sukuk etc., which enables the Issuer to leverage the depth and breadth of the Nigerian DCM. The proceeds from the Dangote Cement PLC Series 1 Tranches 1- 3 bonds will be used to fund expansion projects, refinance short term debts, as well as working capital expenditure.

Commenting on the successful bond issuance, Mr. Michel Puchercos, Group Managing Director, Dangote Cement stated, “this bond issuance allows us move a step further in achieving our expansion objectives and will be deployed to projects instrumental in supporting our export strategy while improving our cost competitiveness. We thank the investor community for their continued support in the management of Dangote Cement and their successful participation in the bond issuance”.

Also commenting on the listing, the sponsor of the Bond and a Registration Member (Listings) of FMDQ Exchange, Absa Capital Markets Nigeria Limited, through its Chief Executive Officer, Mr. Sadiq Abu, commented that, “we are very pleased to have acted as Lead Issuing House on the transaction. The success of the issuance and positive investor response amidst market uncertainty is indicative of Dangote Cement’s strong credit profile and market positioning. We thank the Board and Management of Dangote Cement PLC for the opportunity to continue to support the Company in its fund-raising efforts”.

Coronation Merchant Bank Limited Raise Finance from the Nigerian Debt Capital Market, Issues New Series on FMDQ Exchange

In acknowledging the value-add derived by corporate entities from its credible and efficient platform, FMDQ Exchange has diligently continued to support the deepening of the Nigerian DCM through the offerings of its unique listing and quotation services. Commendably, the Board Listings and Markets Committee of FMDQ Exchange approved the listing of the Coronation MB Funding SPV PLC ₦25.00 billion Series 1 Fixed Rate Bond (“Coronation MB Bond”) under its ₦100.00 billion Bond Issuance Programme on the Exchange.

Coronation MB Funding SPV PLC is a special purpose vehicle set up to raise capital from the Nigerian DCM for Coronation Merchant Bank Limited (“Coronation MB” or “the Company”). The bond which is sponsored by FBNQuest Merchant Bank Limited - a Registration Member (Listings) of FMDQ Exchange, will enhance the liquidity buffers of Coronation MB, a key player in the Nigerian corporate banking, asset/fund management and securities trading sector.

In the same vein, the Exchange also welcomed the quotation of the Coronation Merchant Bank Limited ₦1.29 billion Series 19 and ₦23.71 billion Series 20 CPs under its ₦100.00 billion CP Issuance Programme in August 2021. The Coronation Merchant Bank Limited CPs were jointly sponsored by Coronation Merchant Bank Limited and Chapel Hill Denham Advisory Limited – Registration Member (Quotations) of FMDQ Exchange. The proceeds of the CPs quotation will be used to support the company’s short term funding requirements.

As part of its commitment to continually deliver exceptional value to the Nigerian financial markets and its stakeholders, FMDQ Exchange shall continue to validate its operational mandate of aligning the markets within its purview to international standards, striving to ensure they emerge as globally competitive, operationally excellent, liquid and diverse.

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FMDQ Exchange Admits FSDH Merchant Bank’s New Commercial Paper Series on its Platform

FMDQ Exchange, a wholly owned subsidiary of FMDQ Holdings PLC (“FMDQ Group” or “FMDQ”), has continued to work collaboratively with market stakeholders to align the nation’s DCM to international standards and has taken commendable steps to ensure that growth and development opportunities abound for the markets under its purview. Following the due diligence process, the Exchange is

pleased to announce the approval for the quotation of the FSDH Merchant Bank Limited (“FSDH”) ₦2.28 billion Series 3, ₦1.79 billion Series 4, and ₦15.53 billion Series 5 CPs under its ₦40.00 billion CP Issuance Programme on its platform.

FSDH is a leading licensed merchant bank in Nigeria with subsidiaries in asset management, pension funds management and securities trading. The net proceeds from the quotation of the FSDH Series 3 – 5 CPs, which is sponsored on FMDQ Exchange by Stanbic IBTC Capital Limited – a Registration Member (Quotations) of FMDQ Exchange, will be utilised to support FSDH's short term financing requirements.

The successful admission of these CPs, following due approval, attests to the highly efficient time to market and ‘second-to-none’ listing and quotation services offered by FMDQ Exchange. With its streamlined and efficient registration process, FMDQ Exchange continues to show its steadfastness through the provision of a world-class quotation service, availing issuers and investors, global visibility, confidence and protection in the markets..

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United Capital PLC Quotes Series 5, 6 & 7 Commercial Papers on FMDQ Exchange

As corporate institutions continue to tap the commercial paper market to meet their short-term funding needs and liquidity requirements, FMDQ Exchange has remained relentless in taking the necessary steps towards promoting transparency, governance, integrity and efficiency in the Nigerian CP market and overall the DCM. It is with this mandate that the Board Listings and Markets Committee of FMDQ Exchange has approved the quotation of the United Capital PLC ₦1.56 billion Series 5, ₦13.99 billion Series 6 and ₦4.17 billion Series 7 CPs under its ₦50.00 billion CP Issuance Programme on the Exchange.

United Capital PLC is a leading financial services Group focused on leveraging technology to empower businesses, individuals and governments with excellent financial services. The proceeds from the quotation of these CPs, which are co-sponsored by FSDH Capital Limited and UCML Capital PLC – Registration Member (Quotations) of FMDQ Exchange, will enable the company to provide a wider range of wholesale financing solutions to its clients as well as complement its funding base and support the growth of the overall business.

In keeping with its commitment to develop the DCM, FMDQ Exchange shall sustain its efforts in supporting issuers with tailored financing options to enable them achieve their strategic objectives, deepen and effectively position the Nigerian DCM for growth.

FMDQ Group is Africa's first vertically integrated financial market infrastructure (FMI) group, strategically positioned to provide registration, listing, quotation and noting services; integrated trading, clearing & central counterparty, settlement, risk management for financial market transactions; and depository of securities; as well as data and information services, across the debt capital, foreign exchange, derivatives and equity markets, through its wholly owned subsidiaries – FMDQ Exchange, FMDQ Clear, FMDQ Depository and FMDQ Private Markets Limited.

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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), OMO Bills, Bonds (FGN Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational) & Eurobonds) Commercial Papers, CBN Special Bills 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 - July 2021)

Product Category	(N'mm)	(\$'mm)
Foreign Exchange	14,463,772	35,428
Foreign Exchange Derivatives	16,202,994	39,748
Treasury Bills	9,197,813	22,568
OMO Bills	24,280,573	59,820
CBN Special Bills	4,492,045	10,952
FGN Bonds	11,875,017	29,167
Promissory Notes	135,139	338
Other Bonds*	5,800	14
Eurobond	256,583	631
Repurchase Agreements/Buy-Backs	26,343,129	64,521
Unsecured Placements/Takings	1,747,302	4,274
Money Market Derivatives	12,110	31
Commercial Papers	-	-
Total	109,012,277	267,492
No. of Business Days	142	142
Average Daily Turnover	767,692	1,884

Average YTD \$/₦ @407.54

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), Central Bank of Nigeria

Source: FMDQ Data Portal as @ August 10, 2021; Figures reported by Dealing Member (Banks) on a week-ending basis



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The total turnover for the January – July 2021 period amounted to ₦109.01 trillion. Trading activities in FX (Spot FX and FX Derivatives) contributed the largest to overall turnover, accounting for 28.13% of the market. Repurchase Agreements (Repos)/Buy-Backs product categories (Repos/Buy-backs) accounted for 24.17%, whilst transactions in OMO Bills in accounted for 22.27% Bonds, Treasury Bills, Unsecured Placements & Takings, CBN Special Bills, Promissory Notes and Money Market Derivatives accounted for 11.13%, 8.44%, 1.60%, 4.12%, 0.12% and 0.01% respectively, of overall market turnover.

Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January - July 2021)

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

RANK	DEALING MEMBER (BANKS)
1	ACCESS BANK PLC
2	STANBIC IBTC BANK PLC
3	UNITED BANK FOR AFRICA PLC
4	ZENITH BANK PLC
5	FIRST BANK OF NIGERIA LIMITED
6	ECOBANK NIGERIA LIMITED
7	GUARANTY TRUST BANK LIMITED
8	CORONATION MERCHANT BANK LIMITED
9	FIRST CITY MONUMENT BANK LIMITED
10	POLARIS BANK LIMITED

The top ten (10) Dealing Member (Banks) accounted for 74.48% (₦81.10 trillion) of the overall turnover of trades in the secondary market, with the top three (3) accounting for 64.66% (₦52.44 trillion) of this sub-section of the market. Access Bank PLC, Stanbic IBTC Bank PLC and United Bank for Africa PLC ranked 1st, 2nd, and 3rd positions respectively, in the value traded for the review period.

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Sustainable Securities - Green Bonds II: Development of the Green Bonds Market

Green Bonds are debt instruments used to raise capital to finance new and existing climate related projects (“Green Projects”). According to the 2021 edition of the Green Bond Principles (GBP), eligible Green Project categories include inter alia; renewable energy, energy efficiency, sustainable water and wastewater management, climate change adaptation etc. Refer to our July 2021 edition of the FMDQ Learning Article where we introduced readers to Green Bonds, the GBP, the milestones and performance of Green Bonds globally.

In this article, we shall be reviewing the contribution of some Securities Exchanges globally to the development and growth of the Green Bond market.

In furtherance of the commitment of the United Nation (‘UN’) to the actualisation of the Sustainable Development Goals, the UN in partnership with the United Nations Conference on Trade and Development, the United Nations Global Compact, the United Nations Environment Programme Finance Initiative and the UN-supported Principles for Responsible Investment established the Sustainable Stock Exchange (‘SSE’) initiative in 2009, to explore how Exchanges can enhance performance on Environmental, social and Governance (‘ESG’) issues and encourage sustainable investment.

The image below illustrates the SSE’s plan to grow green finance:



Image source: www.sseinitiative.org

In Europe, the Luxembourg Stock Exchange in 2016 launched the world’s first dedicated platform for sustainable finance; the Luxembourg Green Exchange (‘LGX’), aimed at facilitating investors’ seamless

access to documentation of underlying green and sustainable products to make informed investment decisions. As at August 2021, LGX has eight hundred and forty-five (845) listed securities totaling \$399.36 billion¹.

Further, The International Stock Exchange (TISE) launched TISE Green (*now "TISE Sustainable"*) in 2018, a market segment dedicated to facilitating the flow of capital into investments aimed at promoting ESG activities as it provides issuers and securities transparency and visibility among investors. Six (6) securities are currently listed on TISE Sustainable with a total value of \$4.16 billion.

The Hong Kong Exchanges and Clearing Limited launched its sustainable and green Exchange ('STAGE'), Asia's first multi-asset sustainable investment product platform in 2020 to anchor the Asian sustainable finance ecosystem and provide access and transparency on product and other sustainable finance related resources. STAGE aims to bridge the gap between issuers and investors and promote transparency ultimately boosting the participation in the market. As of August 2021, there are fifty-four (54) Green Bonds listed on STAGE.

In Nigeria, the erstwhile FMDQ OTC Securities Exchange (*now FMDQ Holdings PLC*) partnered with the Financial Sector Deepening ("FSD") Africa and Climate Bonds Initiative ("CBI") to support the development of the Nigerian Green and non-Government Bonds markets. The partnership is aimed at enabling FMDQ Exchange garner the necessary support required to promote impact investing as entrenched under the sustainable finance pillar of the FMDQ Debt Capital Markets Development ("DCMD") Project.

The Exchange in its continuous desire for Nigeria to stay at the forefront of the global Green and Sustainable Finance drive aims to launch a **"Green Exchange"**, a virtual information platform dedicated to supporting transparency, good governance, and compliance in the growth of Green and Sustainable Finance in the Nigerian financial markets by highlighting and showcasing securities issuances that align with global ESG principles.

FMDQ Exchange continues to remain steadfast in seeking innovative ways to develop the Nigerian capital market to be resilient and liquid.

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¹ <https://www.bourse.lu/green>

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