



FMDQ SPOTLIGHT

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FMDQ Group 2022 Highlights and Outlook for 2023

2022, being a post-COVID-19 year, endured more than its share of difficulties that were experienced globally. From higher-than-expected inflation in most economies, resulting in the famed “cost of living crisis”, worse-than-anticipated slowdown in China, deeper negative spillbacks and spillovers from the ongoing war in Ukraine, and a global growth forecast of 3.20%, the weakest in over ten (10) years, 2022 was indeed a tough year. Locally, in addition to the global ills, the heightened electioneering activities across the country in the build-up to the 2023 general elections escalated the lingering business environment challenges as most businesses decided to stay on the path of caution with attendant impact on economic activities.

Despite this, FMDQ Group PLC (“**FMDQ Group**” or the “**Group**”) did not relent in its continuous quest to deliver value to its varied stakeholder groups, in recognition of its role as a critical financial market infrastructure group in the Nigerian economy. The Group, together with its wholly owned subsidiaries – FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”), FMDQ Clear Limited (“**FMDQ Clear**”), FMDQ Depository Limited (“**FMDQ Depository**”) and FMDQ Private Markets Limited (“**FMDQ Private Markets**”), remained focused on championing innovative solutions whilst providing efficient services.

Memorable highlights from events in 2022 across FMDQ Group and its subsidiaries are captured below:

FMDQ Holdings PLC Transitions into FMDQ Group PLC

The year 2022 commenced with the transition of FMDQ Holdings PLC into FMDQ Group PLC. Over the years, FMDQ Group evolved from an OTC Market to a full-fledged Securities Exchange, to a budding financial market infrastructure (FMI) Group, now structured as a Securities and Exchange Commission (SEC)-registered Capital Market Holding Company, warehousing five (5) wholly owned subsidiaries, including FMDQ Exchange (Nigeria’s largest Exchange by Market Turnover), FMDQ Clear (Nigeria’s Premier Central Counterparty), FMDQ Depository (Nigeria’s Integrated Securities Depository), FMDQ Private Markets (Nigeria’s Private Capital Marketplace Organiser) and iQx Consult Limited (an Information Technology Services Company).

FMDQ Group Becomes Full Member of World Federation of Exchanges

FMDQ Group was admitted as a full Member of the prestigious World Federation of Exchanges (WFE) after four (4) years of being an Affiliate. The WFE is the global industry group for exchanges and clearing houses, representing over 250 market infrastructures ranging from those that operate the largest financial centres to those that run frontier markets. The achievement to become one of the over seventy (70) members of WFE indicates the recognition of quality and reliable services offered by FMDQ Group across its FMI value chain - Exchange, Central Counterparty, and Depository, as one of the criteria for WFE membership is that the FMI plays an active role in the development of their local economy. Becoming a Member of WFE adds credence to FMDQ Exchange's registration, listing and quotation services, as well as gives market stakeholders additional confidence in FMDQ Clear's central counterparty services, as the membership reflects a stamp of confirmation of FMDQ Group's commitment to promoting international best practices.

FMDQ Group Becomes an Observer Member of ICMA Green Bond Principles

FMDQ Group, in alignment with its drive to champion sustainable finance, and institute global best practices in the operation of the FMDQ Green Exchange, sought and was granted approval to be an Observer Member of the ICMA Green Bond Principles. The ICMA Green Bond Principles, are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for the issuance of a green bond. As a Member of ICMA since 2015, this admission to ICMA's Green Bond Principles is particularly important to FMDQ Green Exchange as it provides issuers with the assurance of FMDQ Exchange's compliance with globally acceptable standards for raising green capital.

FMDQ Group and FSD Africa Hold Capacity Building Workshop for Lagos State Government to Facilitate the Maiden Lagos State Green and Blue Bonds Issuance

The Implementing Partners of the Nigerian Green Bond Market Development Programme ("NGBMDP" or the "Programme") – FMDQ Group and Financial Sector Deepening (FSD) Africa – executed a capacity building workshop for Lagos State Government to facilitate the issuance of the maiden Lagos State Government Green and Blue Bonds towards achieving the global Sustainable Development Goals. The capacity building workshop was organised to build the required technical capabilities within the respective Ministries, Departments and Agencies of the Lagos State Government.

FMDQ Group and FSD Africa Launch the Nigerian Green Bond Market Development Programme Impact Report

The British Deputy Commissioner, Mr. Ben Llewellyn-Jones OBE, at a prestigious event which held at the British Deputy Commissioner's Residence, officially launched the Nigerian Green Bond Market Impact Report. Authored by the Implementing Partners of the NGBMDP, FMDQ Group and FSD Africa, the Impact Report is a comprehensive overview of the Nigerian Green Bond Market Programme, with a focus on market capacity building, policy advisory and technical support for Green Bond issuance.

The Impact Report documents the activities of the NGBMDP since its inception in 2018 and provides insights into the challenges and opportunities in the Nigerian Green Bond Market.

FMDQ Group Restates Commitment to the Environment on World Environment Day... Launches its Recycle Initiative – FMDQ Triple R Initiative

As a sustainability-focused FMI group, FMDQ Group joined the global community to commemorate the 2022 World Environment Day by restating its commitment to the preservation of the environment. FMDQ Group's strong commitment to the preservation of the environment is firmly entrenched in its Sustainability Agenda, which has the 'Environment' as one of its five (5) Sustainability Pillars and is hinged on the United Nations (UN) Sustainable Development Goal (SDG) 7 - Affordable and Clean Energy; Goal 12 - Responsible Consumption and Production; and Goal 13 - Climate Action. The Group also announced the launch of its recycling initiative – FMDQ Triple R Initiative - in support of a circular economy.

FMDQ Group Commends Stakeholders for its Market Resilience at 10th Annual General Meeting

Having successfully navigated the challenging operating environment of 2021, FMDQ Group released its 2021 Annual Report and Accounts at its recently held 10th Annual General Meeting ("AGM"). Presiding over the AGM, which was held as a virtual event, the Group Chairman, FMDQ Group, Dr. Kingsley Obiora, in presenting the Annual Report and Accounts of FMDQ Group to its shareholders, commended the continued resilience of the FMDQ markets despite the pervading uncertainty and slow recovery in the global and domestic economic landscapes.

FMDQ Exchange Advances Thought Leadership in the Derivatives Market, Launches "Q-Estimator"

FMDQ Exchange recently added a new offering to its universe of innovation with the launch of an automated hedging calculator – "Q-Estimator", to equip market participants with a tool that aids strategic and informed investment decision-making in the Nigerian financial markets, particularly the derivatives market. The Q-Estimator provides market participants with the opportunity to estimate the total cost to be incurred at the point of purchase of derivatives contracts on the Exchange. The Q-Estimator, the first of its kind, aids trading simulation, wherein market participants simulate positions in the market to estimate profit or loss at a predetermined maturity date.

FMDQ Group Delights the Next Generation with Financial Literacy Summer Camp

FMDQ Group, through its flagship corporate responsibility programme, FMDQ Next Generation Financial Markets Empowerment Programme ("FMDQ-Next") successfully executed the 3rd edition of its FMDQ-Next Summer Camp Programme (the "Programme"). The free and highly coveted Programme, which was designed for Primary School (ages 8–10) and Secondary School (ages 11–16)

students, was delivered in two (2) Streams, having Primary and Secondary sections, which ran between August 3 – 26, 2022. The Programme provided a fun and exciting learning experience through educational and interactive financial market exercises and activities and offered participants the opportunity to learn about the workings of the financial market, the concept of savings and investment, the various investment vehicles, and the roles of the different financial market participants, amongst others.

FMDQ Exchange Holds its 5th Annual Members' Induction Programme

In fulfilment of one of its strategic initiatives, which is to ensure that all FMDQ Exchange Registration Members' Authorised Representatives are appropriately onboarded, the Exchange conducted an Induction Programme ("the Programme") for Authorised Representatives of its Registration Members (Listings & Quotations). The Programme formally introduced the Registration Members' Authorised Representatives to FMDQ Exchange's markets and products in a bid to ensure they are adequately equipped to perform their respective functions within the Exchange's markets. The Programme also sensitised them on their roles and responsibilities within the FMDQ financial market ecosystem and provided guidance on regulatory compliance obligations.

FMDQ Group Graduates Pioneer Set of Q-GDP Trainees

The Group, in 2021, designed and launched the FMDQ Graduate Development Programme (Q-GDP) to attract and develop motivated young individuals interested in pursuing a career within the Nigerian financial markets Industry. Following a nationwide call for applications, twelve (12) candidates passed the highly rigorous and multifaceted screening process and were admitted into Q-GDP. The twelve (12) successful candidates were taken through a six (6) week intensive boot camp where they all proved successful and graduated into FMDQ Group to begin a twelve (12) month job rotation across the various functions in the Group. They will learn, develop important relationships, and build career-enhancing skills, after which they will be permanently placed in specific business areas to commence their careers.

Successful Completion of the FMDQ Private Markets Limited and Oxford Saïd Business School Partnership Programmes

The two (2) entrepreneurial programmes, birthed through the FMDQ Private Markets and Saïd Business School, Entrepreneurship Centre (the erstwhile Oxford Foundry) Partnership – the Young Entrepreneurial Leaders Programme and the Innovate Nigeria Programme (all together referred to as the FMDQ x Oxford Programmes) – successfully concluded, having impacted twenty (20) individuals and five (5) businesses. The FMDQ x Oxford Programmes, which were delivered by the Saïd Business School, provided world-class entrepreneurship and leadership education to future Nigerian leaders, alongside the construction of a global Nigeria-focused investment.

FMDQ Group Celebrates Market Participants at the 5th FMDQ GOLD Awards

The 2022 FMDQ GOLD Awards was commemorated in a grand ceremony, the first physical ceremony since the onset of the Coronavirus pandemic, on November 11, 2022, in Lagos. The very well-attended prestigious GOLD Awards, headlined by the Vice President of the Federal Republic of Nigeria, Professor Yemi Osinbajo, SAN, GCON, as the Special Guest of Honour, brought together various stakeholders in the FMDQ markets and provided a platform to acknowledge and formally recognise the contributions of participants within the FMDQ markets for the one-year period covering October 2021 to September 2022. All validated results, including winners, nominees & finalists, and awards descriptions, are available on FMDQ GOLD Awards website – www.fmdqgroup.com/goldawards/.

FMDQ Group Receives SERAS 2022 OPS-WASH Recognition - Best Company in Water & Sanitation

FMDQ Group received the Sustainability, Enterprise, and Responsibility Awards (SERAS) 2022 Organised Private Sector in Water Sanitation and Hygiene (OPS-WASH) Recognition for “Best Company in Water & Sanitation” in recognition of FMDQ Group’s commitment to sustainability practices. In 2021, FMDQ Group was appointed as the Secretariat to OPS-WASH, an initiative of the Ministry of Water Resources, and is saddled with the responsibility of providing technical assistance towards the execution of two (2) Projects approved by the Vice President of the Federal Republic of Nigeria, Prof. Yemi Osinbajo, SAN, GCON. The Projects are focused on: a) facilitating the issuance of the proposed maiden blue bond by the Federal Ministry of Water Resources, and b) supporting OPS-WASH with an accelerated review of the existing Executive Order 009 - Open Defecation Free Nigeria by 2025 and Other Related Matters Order, 2019 - to incorporate tax credit scheme to support water infrastructure and sanitation across the geopolitical zones.

Other Market Development Initiatives:

In addition to its market development events reported above, the securities admission business of FMDQ Exchange, in 2022, recorded significant progress with the listings of twenty-one (21) corporate and subnational bonds with a total value of ₦0.63 trillion, and the quotations of one hundred and thirty-four (134) commercial papers with a total value of about ₦0.73 trillion. The successful admittance of these securities on FMDQ Exchange attests to the great potential of the Nigerian debt capital market and financial markets stakeholders’ confidence in the Exchange as the choice platform for capital formation.

Outlook for 2023

We begin 2023 with great anticipation, as FMDQ Group gears up to celebrate ten (10) years of impact in the Nigerian financial markets. The Group remains focused on collaborating with stakeholders to achieve its audacious ambitions to deliver the most attractive Exchange in Africa, a globally accepted Central Counterparty (CCP), the Nigerian Depository of Choice and the largest private capital

information repository in Nigeria, whilst positioning itself as the leading African builder of ecosystems of financial infrastructure and services for markets. Some of the key market development initiatives to look forward to in 2023, include but are not limited to:

- Launch of FMDQ Exchange-Traded Derivatives (ETD) market
- Launch of Bilateral Repurchase Agreement with collateral management
- Development of the FMDQ Non-interest Finance and Equity markets
- Activation of CCP services for the FMDQ ETD market, Fixed Income Spot and Repo markets
- Achievement of full Central Securities Depository accreditation
- Launch of Artis DealRoom, a digital platform developed to provide Small and Medium-sized Enterprises with financing to optimise their supply chain activities

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78th FX Futures Contract Matures and Settles on FMDQ Exchange

On Wednesday, December 28, 2022, the 78th FX Futures contract – NGUS DEC 28 2022, with a nominal value of \$150.77 million, matured and settled on FMDQ Exchange. This maturity brings the total value of matured FX Futures contracts on the Exchange, since the inception of the market in June 2016, to circa \$59.28 billion; with a total of circa \$63.57 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 the same day. The associated clearing/settlement activities were effected accordingly by FMDQ Clear.

The Central Bank of Nigeria (CBN), as observed over the last seventy-seven (77) maturities, introduced a new contract, NGUS DEC 29 2027, for \$1.00 billion at \$/₦694.47 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](#)

Update on Clearing and Settlement Activities

FMDQ Clear, Nigeria's foremost Central Counterparty, continues to drive efficiency in its operations, delivering value to the Nigerian financial markets and making it seamless for investors to clear and manage their risks effectively.

The tables below provide an overview of the clearing and settlement activities 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	October 2022	November 2022	Change (%)
Clearing				
1	No. of Cleared Contracts	5,915	5,946	0.52
2	Value of Cleared Contracts (\$'bn)	62.84	63.12	0.45
3	Value of Open Contracts (\$'bn)	4.11	4.00	(2.68)
Settlement				
4	No. of Matured & Settled Contracts	5,663	5,663	0.51
5	Value of Matured & Settled Contracts (\$'bn)	59.12	59.12	0.65

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

S/N	Sovereign Fixed Income	October 2022	November 2022	Change (%)
1	Total Value of Trades Processed (₦'bn)	23,877.97	8,250.12	(189.43)
2	Value of Trades Settled (₦'bn)	17,258.10	7,359.90	(134.49)
3	Value of Unsettled Trades (₦'bn)	6,619.88	890.22	(643.62)

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

S/N	Non-Sovereign Fixed Income	September 2022	October 2022	Change (%)
1	Total Value of Trades Processed (₦'bn)	13.98	8.46	(65.25)
2	Value of Trades Settled (₦'bn)	13.96	7.46	(87.13)
3	Value of Unsettled Trades (₦'bn)	0.01	1.00	9900

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

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Update on Admitted Securities on FMDQ Depository

FMDQ Depository, the choice securities depository for the Nigerian capital market, has continued to leverage on the collaboration of its stakeholders to deliver on its operational mandate, to implement value-added products and service offerings.

During the period under review, FMDQ Depository successfully admitted the following securities on its platform:

- CRV Funding SPV Limited ₦22.80 billion Series 1 Private Notes
- Lagos Free Zone Company ₦3.78 billion Series 1 and ₦0.22 billion Series 2 Commercial Papers
- Minerat Sukuk Company Limited ₦6.50 billion Series 3 Fixed Rental Rate Al-Ijarah Sukuk
- TrustBanc Holdings Limited ₦0.87 billion Series 12 Commercial Paper
- Industrial and Medical Gases Nigeria PLC ₦1.22 billion Series 1 Commercial Paper
- Infrafunding SPV Limited Private Placement ₦1.50 billion Series 1 Bonds
- ZSG – SPV Company Limited ₦4.53 billion Series 1 Fixed Rate Bond
- Nosak Distilleries Limited ₦2.27 billion Series 1 (Tranche A) and ₦2.62 billion Series 1 (Tranche B) Commercial Papers
- Stanbic IBTC Ventures Limited ₦1.00 billion Series 1 Fixed Rate Bonds
- C&I Leasing PLC ₦2.00 billion Series 2 Commercial Paper
- Veritasi Homes & Properties Limited ₦0.70 billion Series 4 (Tranche A) and ₦2.77 billion Series 4 (Tranche B) Commercial Papers

FMDQ Depository complements the clearing function discharged by FMDQ Clear by providing the requisite framework for securities lodgment, asset safekeeping, settlement services and collateral services in the Nigerian financial markets, offering market participants an unrivalled opportunity to experience enhanced straight-through-processing.

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

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FMDQ LISTINGS & QUOTATIONS

TrustBanc Holdings Limited Quotes Additional Commercial Papers on FMDQ Exchange

FMDQ Exchange, through consistent collaboration with its stakeholders, continues to deepen and effectively position the Nigerian debt markets for growth in support of the realisation of a globally competitive and vibrant economy. In keeping with its commitment to providing a reliable and credible platform to support capital formation, the Exchange approved the quotation of the **TrustBanc Holdings Limited ₦0.87 billion Series 12 Commercial Paper (CP) under its ₦20.00 billion CP Issuance Programme** on its Platform.

TrustBanc Holdings Limited (“**TrustBanc Group**” or the “**Issuer**”) is a registered brand investment management firm that offers an array of financial services such as banking, brokerage, forex trading, and wealth management, through its subsidiaries - TrustBanc Asset Management Limited, TrustBanc Capital Limited, TrustBanc Microfinance Bank, TrustBanc Artur Limited and Primelink Bureau De Change. The proceeds from the quotation of this CP, sponsored by UCML Capital Limited (Lead Sponsor), United Capital PLC and EAC Advisory Limited - all Registration Member (Quotations) of FMDQ Exchange, will be used to fund the Issuer’s short-term financing requirement.

The TrustBanc Group CP, like all other securities, 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 this CP. FMDQ Exchange is committed to remaining innovative and providing timely and cost-efficient services to support its stakeholders, particularly issuers and investors, towards accessing capital, managing risks and invariably, improving their corporate profile.

FMDQ Exchange Admits Valency Agro Nigeria Limited Series 12 and 13 Commercial Papers on its Platform

Despite the contribution to the economy, Nigeria’s agricultural sector faces many challenges which impact on its productivity, causing corporates operating within the sector to explore viable means of raising capital to sustain operations and deliver value to their customers. The Nigerian debt markets continues to stand as a sustainable financing option for corporates as it provides the efficient

mobilisation and allocation of resources. In this regard, FMDQ Exchange approved the quotation of the Valency Agro Nigeria Limited ₦0.25 billion Series 12 and ₦0.81 billion Series 13 Commercial CPs under its ₦20.00 billion CP Programme on its platform.

Valency Agro Nigeria Limited (“Valency Agro” or the “Issuer”) is a subsidiary of Valency International Pte Limited – an international commodity trading house with presence in over fifteen (15) countries – that deals in the sourcing, production, and trading of agro and consumer food products. The net proceeds from these CPs, which are sponsored by FBNQuest Merchant Bank Limited (Lead Sponsor), Coronation Merchant Bank Limited and Nova Merchant Bank Limited (Co-Sponsors) – all Registration Members (Quotations) of FMDQ Exchange, will be used by the Issuer for its short-term financing requirements.

The timely admission of this CP, and in general, securities on FMDQ Exchange, is a testament to the efficient processes and integrated systems through which the Exchange has continued to create unique value for its diverse stakeholders. In keeping with its commitment to the development of the market, 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 debt capital market for growth, in support of the realisation of a globally competitive and vibrant economy.

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Rand Merchant Bank Nigeria Limited Quotes ₦2.36 Billion Commercial Papers on FMDQ Exchange

To guarantee sustained business operations in the current challenging economic environment, corporate institutions have continued to explore alternative financing options by tapping the debt markets to plug capital shortfalls. With a CP market value of ₦3.25 trillion as of November 30, 2022, FMDQ Exchange is pleased to announce the admission of the **quotation of the Rand Merchant Bank Nigeria Limited ₦0.55 billion Series 3 and ₦1.81 billion Series 4 CPs under its ₦80.00 billion CP Programme** on its platform.

Rand Merchant Bank Nigeria Limited (“**Rand Merchant Bank**” or the “**Issuer**”) is a corporate and investment banking firm, which provides innovative advisory services on infrastructure projects, mergers and acquisitions, as well as the funding of various transactions across multiple sectors. The proceeds from the quotation of the quoted CPs, which are co-sponsored by Standard Chartered Capital & Advisory Nigeria Limited – (Lead Sponsor); FCMB Capital Markets Limited, FSDH Capital Limited, Rand Merchant Bank, and Stanbic IBTC Capital Limited (Co-Sponsors) – all Registration Member (Quotations) of the Exchange, will be utilised by the Issuer to support its short-term working capital and funding requirements.

As part of its efforts towards unlocking the potential of the Nigerian economy, FMDQ Exchange shall continue to support institutional growth and stimulate continuous development of the economy at large, through the provision of a world-class Securities Admission Service, in line with its mandate. The Exchange will continue to demonstrate commitment towards delivering a globally competitive, operationally excellent, liquid and diverse (“GOLD”) standard to the Nigerian debt markets, availing issuers and investors the much-needed global visibility, confidence and protection in the markets.

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FMDQ TURNOVER & DEALING MEMBER (BANKS) LEAGUE TABLE

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

The FMDQ Exchange Market Turnover Report shows the turnover on all products traded in the FMDQ Exchange secondary market – Foreign Exchange (FX), Treasury Bills (T.bills), OMO Bills, CBN Special Bills, Promissory Notes, Bonds (Federal Government of Nigeria (“FGN”) Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational) & Eurobonds) Commercial Papers and Money Market Transactions (Repurchase Agreements 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 Exchange Dealing Member (Banks), represents trades executed amongst the Dealing Member (Banks), Dealing Member (Banks) & Clients, and Dealing Member (Banks) & the CBN.

FMDQ Exchange Market Turnover (January – November 2022)

Product Category	(N'mm)	(\$'mm)
Foreign Exchange	32,318,542	75,898
Foreign Exchange Derivatives	24,205,646	56,859
Treasury Bills	14,955,261	34,955
OMO Bills	28,480,213	67,009
CBN Special Bills	17,380,895	41,013
FGN Bonds	11,894,749	28,147
Promissory Notes	1,000	2
Other Bonds*	15,182	36
Eurobond	423,213	992
Repurchase Agreements/Open Repos	47,734,853	112,147
Unsecured Placements/Takings	1,045,132	2,473
Money Market Derivatives	5,583	13
Commercial Papers	200	0
Total	178,460,469	419,544
<i>No. of Business Days</i>	225	225
<i>Average Daily Turnover</i>	793,158	1,865

Average Year-to-Date (YTD) \$/₦ @ 421.98

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) or CBN

Source: FMDQ Data Portal as of December 12, 2022; Figures reported by Dealing Member (Banks) on a week-ending basis

The total turnover for the Jan. – Nov. 2022 period amounted to ₦178.46trn. Trading activities in the FX (Spot FX and FX Derivatives) market had the largest contribution, accounting for 31.67% of overall market turnover. Repurchase Agreements (Repos) accounted for 26.75%, whilst transactions in OMO Bills accounted for 15.96%. CBN Special Bills, Bonds, T.bills, Eurobonds and Unsecured Placements & Takings accounted for 9.74%, 6.68%, 8.38%, 0.254% and 0.59%, of overall market turnover.

FMDQ Dealing Member (Banks) League Table (January – November 2022)

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

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

Stanbic IBTC Bank PLC, United Bank for Africa PLC, and Access Bank PLC ranked 1st, 2nd and 3rd positions respectively, based on value traded for the review period. The top ten (10) Dealing Member (Banks) accounted for 77.00% (₦137.37trn), while the top three (3) accounted for 44.30% (₦79.04trn) of the overall turnover of trades in the secondary market.

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Introduction to the Nigerian Bonds Market

In the previous articles on **Introduction to Bonds**, we provided an overview of the characteristics, types, stakeholders, and relationships between key financial terms in the bonds market.

This article will focus on the current state of the Nigerian bonds market vis-à-vis the features of the bonds market identified in the previous articles.

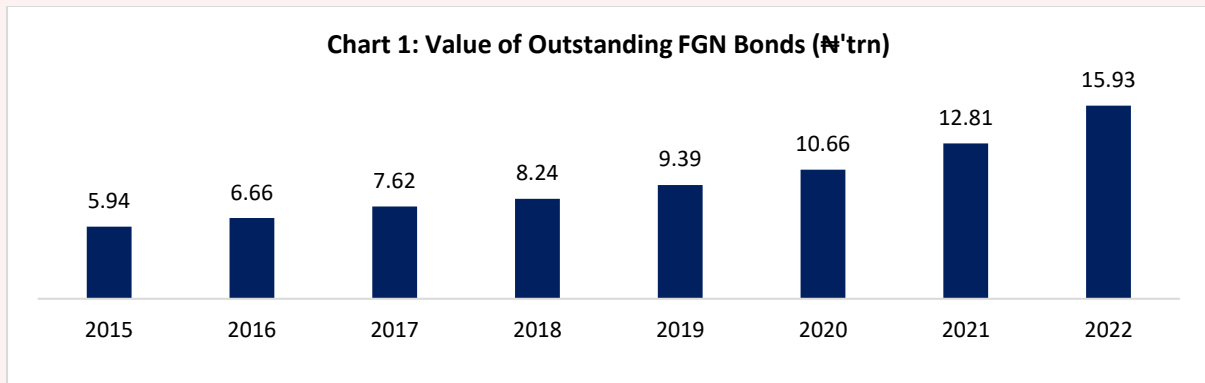
Although the history of the debt markets dates back to 2400 BC, the first bond floated in Nigeria was a £300,000.00 bond issued by the colonial government in 1946 to finance developmental projects. Subsequently, in 1959, the CBN commenced the yearly issuance of development (stocks) bonds on behalf of the FGN.

Over the last six (6) decades, the Nigerian bonds market has expanded beyond plain vanilla bonds issued by the government to almost all classification types identified in the table below:

S/N	Classification	Status
Type of Issuer		
1.	<i>Government Bonds (FGN & Subnational)</i>	Issued
2.	<i>Corporate Bonds</i>	Issued
3.	<i>Supranational Bonds</i>	Issued
Currency of Issuance		
4.	<i>Local Currency Bonds</i>	Issued
5.	<i>Foreign Currency Bonds</i>	Issued
Type of Coupon		
6.	<i>Fixed Rate Bonds</i>	Issued
7.	<i>Floating Rate Bonds</i>	Issued
8.	<i>Zero-Coupon Bonds</i>	Issued
Bond Structure		
9.	<i>Bonds with Embedded Options</i>	Issued
10.	<i>Option-Free Bonds</i>	Issued
11.	<i>Convertible Bonds</i>	Issued
12.	<i>Inflation-Linked Bonds</i>	Yet to be issued
13.	<i>Bullet Payment Bonds</i>	Issued
14.	<i>Amortised Bonds</i>	Issued
Bond Proceeds		
15.	<i>Traditional</i>	Issued
16.	<i>Sustainability</i>	Issued

As of December 2022, the total outstanding value of local currency bonds was ₦17.56 trillion and the FGN accounts for c.91.00% of the outstanding value of the domestic bond market.

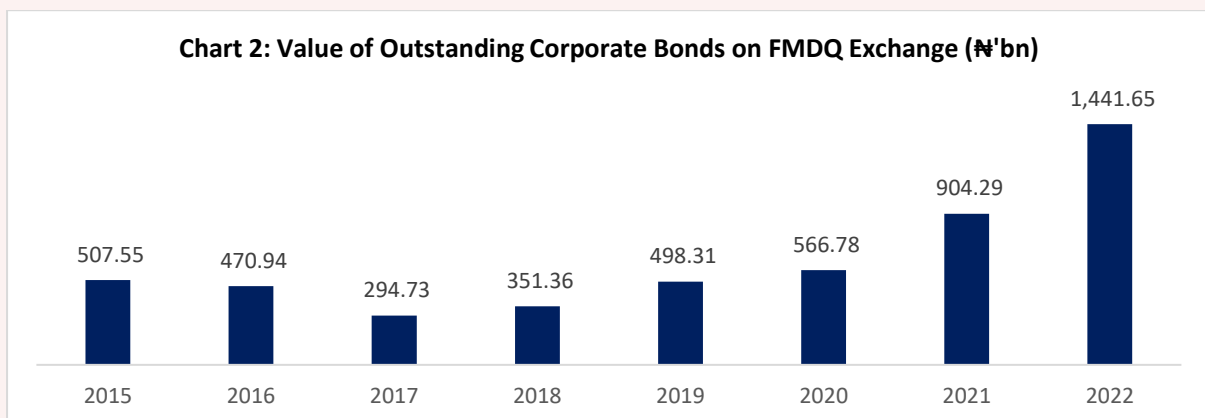
Chart 1 below represents the value of outstanding FGN bonds over the last eight (8) years.



Source: FMDQ Exchange

On the subnational bond (i.e., State Government) front, there has been less activity compared with the FGN. With a total of ₦257.34 billion in eight (8) issuances between 2015 and 2022, Lagos State has been a dominant and consistent issuer of subnational bonds. However, there has been no activity in the Local Government bond market.

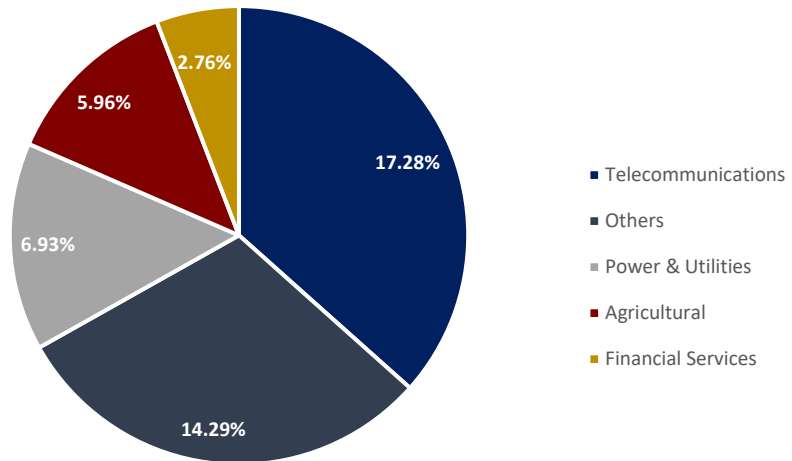
In the corporate bond market, the quantum of issuance is not as significant as the FGN but has improved significantly over the years. Chart 2 below represents the value of outstanding corporate bonds in Nigeria over an eight (8) year period.



Source: FMDQ Securities Exchange Limited

The sectors that dominated the corporate bond issuances listed on the FMDQ Exchange in 2022 were the telecommunications and financial services sectors, accounting for c.74.00% of corporate issuances.

Chart 3: Corporate Bond Issuance by Sector 2022



Source: FMDQ Exchange

In summary, the Nigerian bonds market is still at its nascent stage of development as corporate issuances remain relatively low compare to FGN issuances. However, there are several policies and initiatives, as contained in the Securities and Exchange Commission’s Nigerian Capital Market Master Plan to develop the Nigerian bonds market.

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