



# ***FMDQ SPOTLIGHT***

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 **FMDQ** 



# C O N T E N T S

- **New Stories**
  - 91<sup>st</sup> FX Futures Contract Matures and Settles on FMDQ Exchange
- **At a Glance**
  - Update on Clearing and Settlement Activities
  - Update on Admitted Securities on FMDQ Depository
- **FMDQ Listings & Quotations**
  - FMDQ Exchange Admits Afrinvest (West Africa) Limited Commercial Paper Programme on its Platform
  - FMDQ Exchange Admits Romco Recycling Company Limited Commercial Paper Programme on its Platform
  - FMDQ Exchange Admits Chapel Hill Denham Series 9 Nigeria Infrastructure Debt Fund on its Platform
  - FMDQ Exchange Admits AG Mortgage Bank PLC Commercial Paper Programme on its Platform
  - FMDQ Exchange Admits Sterling Bank Limited Commercial Paper Programme to its Platform
  - Fintrak Software Company Limited Joins a Host of Other Companies to Enjoy Unrivalled Access to Funding Via the Nigerian Debt Market
  - FMDQ Exchange Admits AB Microfinance Bank Nigeria Limited Commercial Paper Programme on its Platform
  - Golden Oil Funding SPV PLC Raises Funds from the Nigeria Debt Markets... Quotes Series 1 Commercial Paper on FMDQ Exchange
- **FMDQ Turnover and Dealing Member (Banks) League Table**
  - FMDQ Turnover & Dealing Member (Banks)' League Table Report
  - FMDQ Dealing Member (Banks) League Table (January – December 2023)
  - FMDQ Fixed Income Primary Markets Sponsors' and Solicitors' League Table (January – December 2023)
- **FMDQ Learning**
  - Introduction to Foreign Exchange Markets



## ***NEW STORIES***

### **91<sup>st</sup> FX Futures Contract Matures and Settles on FMDQ Exchange**

On Wednesday, January 31, 2024, the 91<sup>st</sup> FX Futures contract – NGUS JAN 31 2024, with a nominal value of \$0.57 billion, matured and settled on FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**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 \$65.16 billion; with a total of circa \$67.79 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 Limited (“**FMDQ Clear**”).

The contracts quotes are published daily on FMDQ’s website at [www.fmdqgroup.com](http://www.fmdqgroup.com)

[Click here to view Open Cleared Naira-Settled Non-Deliverable Forwards Contracts](#)



## Update on Clearing and Settlement Activities

Following the approval received by the Securities and Exchange Commission (SEC), Nigeria to function as a central counterparty, FMDQ Clear plays a crucial role in the Nigerian financial market by novating Central Counterparty-eligible products traded on FMDQ Exchange as well as those on other domestic and international Exchanges affiliated with FMDQ Clear.

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	November 2023	December 2023	Change (%)
<b>Clearing</b>				
1	No. of Cleared Contracts	6,255	6,255	N/A
2	Value of Cleared Contracts (\$'bn)	67.79	67.79	N/A
3	Value of Open Contracts (\$'bn)	3.55	3.20	(9.90)
<b>Settlement</b>				
4	No. of Matured & Settled Contracts	6,028	6,065	0.61
5	Value of Matured & Settled Contracts (\$'bn)	64.24	64.59	0.55

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

S/N	Sovereign Fixed Income	November 2023	December 2023	Change (%)
1	Total Value of Trades Processed (₦'bn)	19,451.10	16,303.14	(16.18)
2	Value of Trades Settled (₦'bn)	16,739.69	13,850.19	(17.26)
3	Value of Unsettled Trades (₦'bn)	2,711.41	2,452.95	(9.53)

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

S/N	Non-Sovereign Fixed Income	November 2023	December 2023	Change (%)
1	Total Value of Trades Processed (₦'bn)	0.00	12.35	N/A
2	Value of Trades Settled (₦'bn)	0.00	12.35	N/A
3	Value of Unsettled Trades (₦'bn)	0.00	0.00	N/A

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

[Back to Top](#)

## **Update on Admitted Securities on FMDQ Depository**

FMDQ Depository Limited (“**FMDQ Depository**”), registered by the SEC, Nigeria, was established to provide centralised securities depository and post-trade services in the Nigerian capital markets; complementing the clearing function being performed by FMDQ Clear, offering market participants an unparalleled opportunity to experience enhanced straight-through-processing. Positioned to provide a safe depository for financial markets assets, FMDQ Depository also facilitates settlement of capital market transactions.

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

- Daraju Industries Limited Issue of ₦0.43 billion Series 13, ₦0.24 billion Series 14 and ₦1.02 billion Series 15 Commercial Papers (CPs) under its ₦20.00 billion CP Issuance Programme
- MTN Nigeria Communications PLC ₦72.10 billion Series 10 CP under its ₦250.00 billion CP Issuance Programme
- Fidson Healthcare PLC ₦1.21 billion Series 7 and ₦3.79 billion Series 8 CPs under its ₦10.00 billion CP Issuance Programme
- C & I Leasing PLC ₦10.00 billion Series 3 CP under its ₦50.00 billion CP Issuance Programme

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

[Back to Top](#)



## FMDQ LISTINGS & QUOTATIONS

### FMDQ Exchange Admits Afrinvest (West Africa) Limited Commercial Paper Programme on its Platform

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 to its commitment of providing a reliable and credible platform to support capital formation in the debt markets, the Board Listings and Markets Committee of the Exchange has approved **the registration of the Afrinvest (West Africa) Limited ₦25.00 billion CP Programme** on the Exchange's platform.

Afrinvest (West Africa) Limited ("**Afrinvest**") is an investment management holding company active in six (6) principal areas: investment banking, securities trading, asset management, trust services, consultancy, and technology. Afrinvest has five (5) main subsidiaries – Afrinvest Asset Management Limited, Afrinvest Securities Limited, Afrinvest Capital Limited, Afrinvest Research Limited and Afrinvest Trustees Limited. This CP programme, which was sponsored by Afrinvest Capital Limited – a Registration Member (Quotations) of the Exchange, allows Afrinvest to efficiently raise short-term finance from the Nigerian debt markets, through CP issues, within the approved CP Programme limit.

FMDQ Exchange remains committed to ensuring that businesses enjoy continuous access to a reliable platform for effectively facilitating the registration, listing, quotation, and trading of debt securities within the Nigerian financial markets. The Exchange will continue in delivering customised and value-enhancing services, providing comprehensive support for a smooth and efficient process, while promoting transparency and credibility in the Nigerian debt markets.

### FMDQ Exchange Admits Romco Recycling Company Limited Commercial Paper Programme on its Platform

FMDQ Exchange's Securities Admission Franchise continues to remain a standard for fixed income securities in the Nigerian financial markets, characterised by a best-in-class admission services focused on facilitating efficient time-to-market, and unique listings/quotations services primed to ensure visibility for Issuers, as well as serving as the benchmark for valuation. FMDQ Exchange, as part of this mandate, has approved for registration on its platform, **the Romco Recycling Company Limited ₦6.00 billion CP Issuance Programme** on January 9, 2024.

Romco Recycling Company Limited (“**Romco**”) is a multinational non-ferrous metal recycler, with the goal of creating sustainability, leveraging the trade industry of metal recycling by creating usable recycled metal ingots for manufacturers of a broad range of necessities, reducing the need for raw materials mining. The successful registration of this CP Programme, which is sponsored by Quantum Zenith Capital & Investments Limited, a Registration Member (Quotations) of the Exchange, not only demonstrates FMDQ Group’s commitment to the preservation of the environment, which is firmly entrenched in its Sustainability Agenda, but also strategically positions Romco to raise short-term finance from the Nigerian debt markets, through CP issuances, for the benefit of the environment and the economy as a whole.

As part of its efforts towards unlocking the economic potential of Nigeria, 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. 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.

[Back to Top](#)

## **FMDQ Exchange Admits Chapel Hill Denham Series 9 Nigeria Infrastructure Debt Fund on its Platform**

FMDQ Exchange, is Nigeria's premier securities exchange, committed to providing a world-class platform for the trading of financial instruments. With a focus on transparency, efficiency, and innovation, FMDQ Exchange plays a pivotal role in advancing Nigeria's financial markets and contributing to the nation's economic growth. It is in this regard that FMDQ Exchange is pleased to announce the approval for the listing of the **Chapel Hill Denham Nigeria Infrastructure Debt Fund (“NIDF”) Series 9 106.35mm of ₦100 each at ₦108.89 under its ₦200.00bn** on its platform, which occurred on January 8, 2024.

Chapel Hill Denham Management Limited (the “**Company**”) is a leading independent investment banking, securities trading, and investment management firm. The Company is focused on providing unbiased advisory, execution, and investment services to corporations, governments, institutions, and individuals involved in investing in and developing Nigeria and Africa. The Chapel Hill Denham NIDF, which is sponsored by Chapel Hill Denham Advisory Limited – a Registration Member (Listings) of the Exchange - provides investors with stable income through debt investments in Nigerian infrastructure projects and helps them build a diversified portfolio in projects with essential economic and social services, long-term predictable cash flows, and a durable asset base with long useful life.

With a commitment to its mandate of deepening the Nigerian financial markets, FMDQ Exchange will continue to support the efficient allocation of capital by providing a credible platform for capital formation and effective intermediation, fostering economic growth and development.

### **FMDQ Exchange Admits AG Mortgage Bank PLC Commercial Paper Programme on its Platform**

FMDQ Exchange, the largest securities exchange in Nigeria by market turnover, through its Board Listings and Markets Committee, has approved the **registration of AG Mortgage Bank PLC ₦5.00 billion CP Programme** on its platform, in January 2024.

AG Mortgage Bank PLC (“**AG Mortgage Bank**” or the “**Issuer**”) is a primary mortgage institution committed to delivering top-tier mortgage solutions to the broader society. From its inception, the company has crafted innovative products that have garnered official approval from the Central Bank of Nigeria (**CBN**). Moreover, AG Mortgage Bank has earned accreditation from both the CBN and the Federal Mortgage Bank, solidifying its position as a trusted conduit for customers to access the National Housing Fund. This CP Programme, which is sponsored by Meristem Capital Limited - a Registration Member (Quotations) of the Exchange, empowers the Issuer to efficiently raise short-term finance from the Nigerian debt markets through CP issuances within the Programme limit.

As a catalyst for infrastructure capital, the registration of this CP Programme on FMDQ Exchange’s platform is a demonstration of the Exchange’s commitment to positioning the Nigerian debt markets as the primary source for infrastructure development financing. The Exchange will continue to sustain its efforts in supporting issuers with tailored financing options to enable them achieve their strategic objectives, in support of the realisation of a resilient and vibrant economy.

### **FMDQ Exchange Admits Sterling Bank Limited Commercial Paper Programme to its Platform**

Committed to delivering exceptional value to the Nigerian financial markets and its stakeholders, FMDQ Exchange, a wholly owned subsidiary of FMDQ Group PLC (“**FMDQ Group**”), has once again demonstrated operational excellence in the processing and approval of the **registration of Sterling Bank Limited ₦100.00 billion CP Programme** on its platform, in January 2024.



Sterling Bank PLC (“**Sterling Bank**” or the “**Issuer**”) is a full service national commercial bank in Nigeria, which has evolved from the nation’s pre-eminent investment banking institution to a fully-fledged commercial bank. This CP Programme, which is sponsored by Stanbic IBTC Capital Limited (*Lead Sponsor*); Constant Capital Markets and Securities Limited, SCM Capital Limited (*Co-Sponsors*) – all Registration Member (Quotations) of the Exchange, allows the issuer to efficiently raise short-term finance from the Nigerian debt markets through CP issuances within the Programme limit.

In line with its commitment to deepen the Nigerian financial markets, FMDQ Exchange continues its unwavering dedication to facilitating the efficient allocation of capital and serve as a reputable platform for capital formation and effective intermediation, thereby contributing to the advancement of economic growth and development. FMDQ Exchange is steadfast in its commitment to fulfilling its mandates in market development, organisation, and governance. The Exchange strives to provide a cost-effective, efficient, well-regulated, transparent, and trustworthy platform.

### **Fintrak Software Company Limited Joins a Host of Other Companies to Enjoy Unrivalled Access to Funding Via the Nigerian Debt Market**

FMDQ Exchange, through its Board Listings and Markets Committee, has approved the **registration of the Fintrak Software Company Limited ₦1.00 billion CP Issuance Programme** on the Exchange’s Platform, on January 30, 2024. The successful registration of this CP Programme reinforces the confidence of issuers on FMDQ Exchange’s platform, and in the Nigerian capital market, as a viable marketplace to raise funds to meet their funding requirements.

Fintrak Software Company Limited (the “**Issuer**”) is a leading global financial technology organisation, renowned for delivering cutting-edge technology and business solutions to financial institutions worldwide. Amongst its offerings are Budget Planning Solution, E-payment Solution, Data Warehouse and Business Intelligence Solution and Fintrak Financial Reporting System. This CP programme, sponsored by Emerging Africa Capital Advisory Limited (*Lead Sponsor*); Coronation Merchant Bank Limited, and Kairos Capital Limited (*Co-Sponsors*) – all Registration Members (Quotations) of the Exchange, allows the Issuer to efficiently raise short-term finance from the Nigerian debt markets, through CP issues within the approved CP Programme limit.

The registration of this CP Programme on the Exchange’s platform reaffirms FMDQ Exchange’s commitment to supporting the goals of corporate businesses and enhancing the depth of the Nigerian debt markets. In support of its mandate to align the Nigerian debt markets with global best practices and standards, the Exchange will continue to provide a dynamic and innovative platform for capital formation. This will empower institutions with the necessary support to make a positive impact on their respective sectors and the broader economy.

## **FMDQ Exchange Admits AB Microfinance Bank Nigeria Limited Commercial Paper Programme on its Platform**

FMDQ Exchange is dedicated to enhancing the development of the Nigerian debt markets. In pursuit of its strategic objectives, FMDQ Exchange provides a platform that facilitates seamless registration, listing, quotation, and trading of debt securities in the Nigerian financial markets. It is in this regard that FMDQ Exchange, through its Board Listings and Markets Committee, has granted approval for the quotation of AB Microfinance **Bank Nigeria Limited ₦1.38bn Series 1 Commercial Paper under its ₦9.00bn Commercial Paper Programme** on its platform.

AB Microfinance Bank Limited is a national microfinance bank licenced by the Central Bank of Nigeria to provide banking and loan services to individuals and businesses. The proceeds from this CP issue, which is sponsored by DLM Advisory Limited - a Registration Member (Quotations) of the Exchange, will be utilised by the Issuer to support its short-term funding requirements.

As an Exchange committed to fostering growth and development in the Nigerian debt markets and the economy at large, FMDQ Exchange will continue to facilitate the efficient allocation of capital by providing a credible platform for capital formation and effective intermediation to promote economic growth and development.

## **Golden Oil Funding SPV PLC Raises Funds from the Nigeria Debt Markets... Quotes Series 1 Commercial Paper on FMDQ Exchange**

Committed to developing the Nigerian debt markets by providing a reliable and credible platform for capital formation, FMDQ Exchange, through its Board Listings and Markets Committee, has approved the **quotation of the Golden Oil Funding SPV PLC ₦1.43 billion Series 1 CP under its ₦15.00 billion Asset-Backed CP Issuance Programme** on its platform.

Golden Oil Funding SPV PLC (the "**Issuer**") is a Special Purpose Vehicle established by Golden Oil Industries Limited ("**Golden Oil Industries**") to raise finance from the CP market through the listing of debt securities. Golden Oil Industries is involved in the production and supply of healthy oil, including refined palm oil, palm kernel oil, olein, soybean oil, stearin, soybean meal, soy lecithin, and palm kernel deoiled cake, serving as a cooking medium for the consumers in the Nigeria food market.

This CP issuance, sponsored by FSDH Capital Limited (*Lead Sponsor*) and Coronation Merchant Bank Limited (*Co-Sponsor*) - both Registration Members (Quotations) of the Exchange, will enable the Issuer to raise funds from the debt markets to purchase assets from Golden Oil Industries, worth 120% of the principal amount of each series or tranche. These assets will be securitised as Tank

Farm/Warehousing Receipts and serve as the underlying assets. Golden Oil Industries will, in turn, use the proceeds as working capital to support purchases required for its production processes.

As a Securities Exchange committed to facilitating growth and development in the Nigerian debt markets and the Nigerian economy at large, FMDQ Exchange will continue to promote an efficient, transparent, and well-regulated market, which will attract and retain both domestic and foreign investors.

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, and risk management for financial market transactions; 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 Limited, FMDQ Depository Limited and FMDQ Private Markets Limited. As a sustainability-focused FMI group, FMDQ Group, through FMDQ Exchange, operates Africa's premier Green Exchange – FMDQ Green Exchange – positioned to lead the transition towards a sustainable future.

[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 in the FMDQ secondary market – Foreign Exchange (FX), Treasury Bills (T.bills), OMO Bills, CBN Special Bills, Promissory Notes, Bonds (FGN Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational), Sukuk & 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 – December 2023)

Product Category	(N'mm)	(\$'mm)
Foreign Exchange	45,022,167	71,047
Foreign Exchange Derivatives	30,382,242	49,770
Treasury Bills	27,919,663	41,341
OMO Bills	27,378,437	44,580
CBN Special Bills	26,361,536	39,442
FGN Bonds	28,071,838	45,140
Promissory Notes	57,519	67
Other Bonds*	150	0
Eurobond	231,661	338
Repurchase Agreements/Open Repos	60,740,914	94,319
Unsecured Placements/Takings	2,200,053	3,873
Money Market Derivatives	15,000	29
Commercial Papers	4,600	10
Sukuk Bonds	275,170	387.2
<b>Total</b>	<b>248,660,950</b>	<b>390,342</b>
<b>No. of Business Days</b>	<b>247</b>	<b>247</b>
<b>Average Daily Turnover</b>	<b>1,006,724</b>	<b>1,580</b>

Average Year-to-Date (YTD) \$/₦ @ 637.03

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 @ January 4, 2024; Figures reported by Dealing Member (Banks) on a week-ending basis

The total turnover for the January - December 2023 period amounted to ₦248.66 trillion. Trading activities in the FX (Spot FX and FX Derivatives) market had the largest contribution, accounting for 30.32% of overall market turnover. Repurchase Agreements (Repos) accounted for 24.43%, whilst transactions in OMO Bills accounted for 11.01%. Bonds, T.bills, CBN Special Bills, Promissory Notes, Unsecured Placements & Takings and Money Market Derivative accounted for 11.49%, 11.23%, 10.06%, 0.0231%, 0.88% and 0.01%, of overall market turnover.

## **FMDQ Dealing Member (Banks) League Table (January – December 2023)**

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.

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

Stanbic IBTC Bank PLC, United Bank for Africa PLC and Access Bank PLC ranked 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> positions respectively, based on value traded during the period under review. The top ten (10) Dealing Member (Banks) accounted for 74.94% (₦186.33 trillion), while the top three (3) accounted for 62.09% (₦115.70 trillion) of the overall turnover of trades in the secondary market.

[Back to Top](#)

## FMDQ Fixed Income Primary Markets Sponsors' League Table (January – December 2023)

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 FMDQ Exchange’s authorised sponsors of securities listed and quoted on the Exchange.

RANK	BONDS	RANK	COMMERCIAL PAPERS
	REGISTRATION MEMBER (LISTINGS) (RMLs)		REGISTRATION MEMBER (QUOTATIONS) (RMQs)
1 <sup>st</sup>	Chapel Hill Denham Advisory Limited	1 <sup>st</sup>	Stanbic IBTC Capital Limited
2 <sup>nd</sup>	Stanbic IBTC Capital Limited	2 <sup>nd</sup>	FBNQuest Merchant Bank Limited
3 <sup>rd</sup>	Vetiva Capital Management Limited	3 <sup>rd</sup>	FCMB Capital Markets Limited
4 <sup>th</sup>	FCMB Capital Markets Limited	4 <sup>th</sup>	Quantum Zenith Capital & Investments Limited
5 <sup>th</sup>	Greenwich Merchant Bank Limited	5 <sup>th</sup>	Rand Merchant Bank Limited
6 <sup>th</sup>	United Capital PLC	6 <sup>th</sup>	United Capital PLC
6 <sup>th</sup>	Rand Merchant Bank Limited	7 <sup>th</sup>	Coronation Merchant Bank Limited
6 <sup>th</sup>	Absa Capital Markets Nigeria Limited	8 <sup>th</sup>	Chapel Hill Denham Advisory Limited
7 <sup>th</sup>	FBNQuest Merchant Bank Limited	9 <sup>th</sup>	FSDH Capital Limited
8 <sup>th</sup>	Quantum Zenith Capital & Investments Limited	10 <sup>th</sup>	ARM Securities Limited
8 <sup>th</sup>	Coronation Merchant Bank Limited	11 <sup>th</sup>	Cordros Capital Limited
9 <sup>th</sup>	Renaissance Securities Nigeria Limited	12 <sup>th</sup>	Vetiva Capital Management Limited
10 <sup>th</sup>	Ecobank Development Company Limited	13 <sup>th</sup>	CardinalStone Partners Limited
10 <sup>th</sup>	Standard Chartered Capital and Advisory Nigeria Limited	14 <sup>th</sup>	Kairos Capital Limited
10 <sup>th</sup>	Meristem Capital Limited	15 <sup>th</sup>	Meristem Capital Limited
10 <sup>th</sup>	Afrinvest Capital Limited	16 <sup>th</sup>	Greenwich Merchant Bank Limited
10 <sup>th</sup>	Futureview Financial Services Limited	17 <sup>th</sup>	Comercio Partners Capital Limited
11 <sup>th</sup>	CardinalStone Partners Limited	18 <sup>th</sup>	Futureview Financial Services Limited
12 <sup>th</sup>	FSDH Capital Limited	19 <sup>th</sup>	Emerging Africa Capital Advisory Limited
13 <sup>th</sup>	DLM Advisory Limited	20 <sup>th</sup>	Iron Global Markets Limited
14 <sup>th</sup>	Lotus Financial Services Limited	21 <sup>st</sup>	Afrinvest Capital Limited
15 <sup>th</sup>	Radix Capital Partners Limited	22 <sup>nd</sup>	Renaissance Securities Nigeria Limited
		23 <sup>rd</sup>	Absa Capital Markets Nigeria Limited
		24 <sup>th</sup>	SCM Capital Limited
		25 <sup>th</sup>	Tiddo securities Limited
		26 <sup>th</sup>	Constant Capital Markets and Securities Limited
		27 <sup>th</sup>	Nova Merchant Bank Limited
		28 <sup>th</sup>	UCML Capital Limited

	29 <sup>th</sup>	Standard Chartered Capital and Advisory Nigeria Limited
	30 <sup>th</sup>	SFS Financial Services Limited
	31 <sup>st</sup>	Boston Advisory Limited
	32 <sup>nd</sup>	Radix Capital Partners Limited
	33 <sup>rd</sup>	EDC Securities Limited
	33 <sup>rd</sup>	Alpha Morgan Capital Advisory Partners Limited
	34 <sup>th</sup>	Ava Capital Partners Limited
	35 <sup>th</sup>	DLM Advisory Limited
	36 <sup>th</sup>	EAC Advisory Limited
	37 <sup>th</sup>	Qualinvest Capital Limited
	38 <sup>th</sup>	Mega Capital Financial Services Limited
	39 <sup>th</sup>	Cedrus Capital Limited
	40 <sup>th</sup>	FSL Securities Limited
	41 <sup>st</sup>	Pathway Advisors Limited

### **Total Market Participation Analysis January – December 2023 (Bond and CP markets)**

The top three (3) Sponsors in the Bonds category were (in order) Chapel Hill Denham Advisory Limited, Stanbic IBTC Capital Limited and Vetiva Capital Management Limited contributing 33.16% to total issuances. The top three (3) Sponsors in the CP market were (in order) Stanbic IBTC Capital Limited, FBNQuest Merchant Bank Limited and FCMB Capital Markets Limited contributing 31.41% to total issuances.

[Back to Top](#)

## **FMDQ Fixed Income Primary Markets Solicitors' League Table (January – December 2023)**

The FMDQ Primary Market Solicitors League Table shows the rankings of solicitors of fixed income securities (excluding FGN Bonds and T.bills) listed and/or quoted on FMDQ Exchange.

<b>RANK</b>	<b>BONDS SOLICITORS</b>	<b>RANK</b>	<b>COMMERCIAL PAPERS SOLICITORS</b>
1 <sup>st</sup>	Banwo & Ighodalo	1 <sup>st</sup>	Banwo & Ighodalo
2 <sup>nd</sup>	SPA Ajibade & Co.	2 <sup>nd</sup>	Udo Udoma & Belo-Osagie
3 <sup>rd</sup>	SimmonsCooper Partners	3 <sup>rd</sup>	Aluko & Oyebode
4 <sup>th</sup>	Abdulai Taiwo & Co. Solicitors	4 <sup>th</sup>	G. Elias & Co.
4 <sup>th</sup>	Tsedaqah Attorneys	5 <sup>th</sup>	The New Practice
5 <sup>th</sup>	Aluko & Oyebode	6 <sup>th</sup>	Olaniwun Ajayi LP
6 <sup>th</sup>	Idowu Sofola, SAM & Co.	7 <sup>th</sup>	Templars
7 <sup>th</sup>	Olaniwun Ajayi LP	8 <sup>th</sup>	Advocaat Law Practice
8 <sup>th</sup>	G. Elias & Co.	9 <sup>th</sup>	Mathmer Legal Practitioners
9 <sup>th</sup>	The Metropolitan Law Firm	10 <sup>th</sup>	Detail Commercial Solicitors
10 <sup>th</sup>	Templars	11 <sup>th</sup>	TOLG Advisors
		12 <sup>th</sup>	Africa Law Practice NG & Company
		13 <sup>th</sup>	Ajumogobia & Okeke
		14 <sup>th</sup>	Bloomfield Law Practice
		15 <sup>th</sup>	Adeniji Kazeem & Co.
		16 <sup>th</sup>	JTO Partners
		17 <sup>th</sup>	Tokunmbo Orimobi
		18 <sup>th</sup>	Chariots and Spirit LP

### **Total Market Participation Analysis January – December 2023 (Bond and CP markets)**

The most active Solicitor for the review period was Banwo & Ighodalo participating in both the bond and CP markets for the review period. Aluko & Oyebode followed in second place, also participating in both markets, while Udo Udoma & Belo-Osagie ranked third, participating in the CP market only. The top three (3) solicitors for Jan. – Dec. 2023 accounted for 59.96% to total issuances.

[Back to Top](#)



## Introduction to Foreign Exchange Market

The foreign exchange (“FX” or “Forex”) market serves as a global platform for the exchange of national currencies. This market plays a crucial role in international trade, commerce, and finance, making it one of the largest and most liquid financial markets in the world. Unlike traditional stock exchanges, the forex market lacks a central marketplace and operates electronically over-the-counter. It operates as a vital cog in the global financial machinery, influencing economies, businesses, and individuals. This article aims to demystify the intricate layers of the FX market and provide a roadmap for those exploring its complexities.

### Characteristics of the FX Market

- **Market Size:** Market Size: The FX market is the largest and most liquid financial market globally, with an estimated average daily turnover of approximately \$7.50 trillion, according to the 2022 Triennial Central Bank Survey by the Bank for International Settlements. It accommodates around 1.00 billion equivalent trades daily across various FX products and instruments. The FX market's daily volume surpasses global equity markets by a factor of ten (10x) and equals 40.00% of combined central bank reserves held by the International Monetary Fund member states
- **Trading Hours:** A defining feature of the FX market is its perpetual activity. Unlike traditional stock exchanges with specific trading hours, the forex market operates 24 hours a day, five days a week. Trading commences in Asia and progresses through Europe, Africa, and North America as the day unfolds. This uninterrupted trading schedule offers flexibility and accessibility to traders across different time zones
- **Range of Trading Options:** The FX market offers a wide range of trading options, providing participants with the flexibility to meet various financial goals. It offers exposure to a diverse array of products and instruments, including spot, Forwards, Futures, Swaps, and Options, spanning multiple currencies
- **Market Regulations:** Despite its decentralised nature, the FX market operates within a framework of regulatory oversight by Central Banks or Ministries of Finance in many countries or jurisdictions. Regulatory bodies such as the CBN, the Commodity Futures Trading Commission in the United States, and the Financial Conduct Authority in the United Kingdom oversee the industry within their respective jurisdictions

## Structure of the FX Market

The forex market operates a multifaceted structure with segments categorised by market organisation, products traded, currency classification, regimes, and participant dynamics.

- **Market Organisation**

OTC Market: The forex market operates in a decentralised manner, facilitating direct electronic trading between participants without a central exchange. This structure promotes accessibility and flexibility, with trading occurring globally round the clock

- **Products Traded**

The global FX market has two main segments: the FX Spot Market and FX Derivatives Market. In the Spot Market, currencies are exchanged for payment and delivery on the same day in retail, or after two business days in wholesale (T+2 convention). On the other hand, the Derivatives Market enables traders to exchange a specific amount of one currency for another in the future, with the exchange rate set today. This helps entities secure currency prices in advance, protecting against future exchange rate changes

- **Currency Regimes**

The FX market can be categorised based on the policy frameworks or systems of exchange rate determination that countries adopt. There are two (2) broad categories of exchange rate regimes:

**Fixed Exchange Rates:** In a fixed exchange rate regime, the value of a country's currency is pegged to another currency, a basket of currencies, or a precious metal like gold. The exchange rate is set and maintained by the country's central bank or monetary authority

**Floating Exchange Rates:** In a floating exchange rate regime (also called “flexible exchange rate” or “free float”), exchange rates are determined by the activities of FX market participants and fluctuate freely in response to supply and demand

## Market Participants

The FX market is shaped by various participants which can be categorised into three (3) primary groups: Buy-side participants, Sell-side participants, and FX market intermediaries. Market participants may seamlessly move across all three groups on a transaction-by-transaction basis. For example, commercial banks may serve as Buy-side participants in certain transactions and sell-side participants or intermediaries in others.

- Buy-side Participants are entities or individuals that are net purchasers of currencies within the FX market. These entities are typically Price Takers, and they include Importers and Exporters,

Investment Funds and Asset Managers, Pension Funds and Corporates, Central Banks, and Sovereign Wealth Funds

- Sell-side Participants are those entities or individuals who offer currencies for sale in the FX market. These participants are typically Price Makers, and they include Commercial and Investment Banks, Hedge Funds and Proprietary Trading Firms, and Retail Forex Brokers
- FX Market Intermediaries are authorised FX dealers who act as facilitators between buy-side and sell-side participants, providing services to streamline currency transactions. They include FX Brokerage Firms, Clearing Houses and Settlement Providers, Electronic Communication Networks and Commercial Banks

## Conclusion

In conclusion, the FX market serves as the backbone of global currency exchange and international trade. Its unique characteristics, size, structure, and diverse range of participants underscore its significance in the global financial landscape. In our next article, we will delve more into various FX instruments in global and Nigerian financial markets.

[Back to Top](#)

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