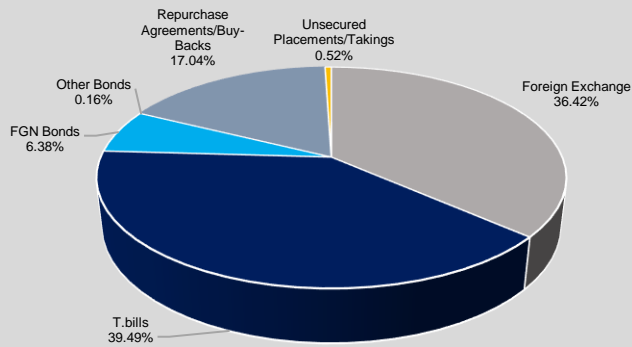


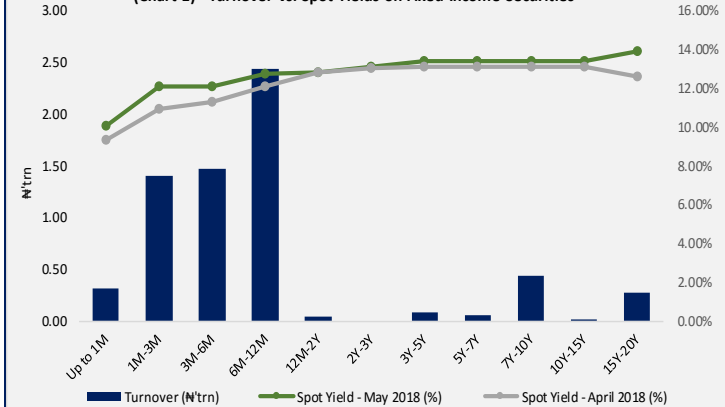
### OTC Turnover



(Table 1) - FX MARKET TURNOVER (\$'bn)

		May	April	MoM Δ <sup>3</sup> (\$'bn)	MoM Change Δ (%)
Inter-Member*	FX Spot	1.29	1.40	-0.11	-7.58
	FX Swaps	0.33	0.41	-0.08	-20.42
	FX Futures	0.00	0.00	0.00	0.00
	Others**	0.01	0.01	0.00	15.59
	<b>Total</b>	<b>1.63</b>	<b>1.82</b>	<b>-0.19</b>	<b>-10.37</b>
Member-Clients	FX Spot	6.13	7.20	-1.07	-14.88
	FX Swaps	1.47	2.41	-0.93	-38.71
	FX Futures	0.36	0.58	-0.21	-37.30
	Others	0.33	0.31	0.02	6.67
	<b>Total</b>	<b>8.70</b>	<b>10.82</b>	<b>-2.13</b>	<b>-19.66</b>
Member-CBN	FX Spot	1.94	1.77	0.16	9.15
	FX Swaps	0.60	0.00	0.60	0.00
	FX Futures	0.46	0.67	-0.21	-30.83
	Others	0.96	0.81	0.15	18.57
	<b>Total</b>	<b>4.44</b>	<b>3.83</b>	<b>0.62</b>	<b>16.14</b>
<b>Total Turnover</b>	<b>14.77</b>	<b>16.47</b>	<b>-1.70</b>	<b>-10.31</b>	

(Chart 1) - Turnover vs. Spot Yields on Fixed Income Securities



(Table 2) - MONEY MARKET TURNOVER (N'bn)

	May	April	MoM Δ (N'bn)	MoM Δ (%)
Repurchase Agreement/Buy backs	2,435.43	1,604.50	830.93	51.79
Unsecured Placement/Takings	74.25	63.74	10.52	16.50
<b>Total</b>	<b>2,509.68</b>	<b>1,668.23</b>	<b>841.45</b>	<b>50.44</b>

(Table 3) - MARKET ACTIVITY - EXECUTED TRADE COUNT

	May			April			MoM Δ (%)
	AFO <sup>9</sup>	RFQ <sup>10</sup>	Total	AFO	RFQ	Total	
T.bills	1,162	15,411	16,573	1,144	17,041	18,185	-8.86%
FGN bonds	869	1,628	2,497	1,695	1,694	3,389	-26.32%
<b>Total</b>	<b>2,031</b>	<b>17,039</b>	<b>19,070</b>	<b>2,839</b>	<b>18,735</b>	<b>21,574</b>	<b>-11.61%</b>

Notes:  
 \*Member\*\* means Dealing Member (Banks); \*Others\*\* include FX Forwards, Options & Cross Currency Interest Rate Swaps  
 .1 - Month-on-Month; 2 - Year-on-Year (YoY) 3 - Change; 4 - Year-to-Date; 5 - Central Bank of Nigeria; 6 - Federal Government of Nigeria; 7 - Overnight; 8 - Nigerian Inter-Bank Offered Rate; 9 - Anonymous Firm Order; 10 - Request-for-Quote;

### OTC Market Summary

- Turnover in the Fixed Income and Currency (FIC) market for the month ended May 31, 2018 was ₦14.30trn, a 4.30% (₦0.64trn) MoM<sup>1</sup> decline and a 50.60% (₦4.80trn) YoY<sup>2</sup> increase on the turnover recorded in May 2017. The Treasury bills (T.bills), Foreign Exchange (FX) and Money Market ((Repos)/Buy-backs & Unsecured Placements/Takings) segments jointly accounted for 93.47% of total turnover in the FIC market in May, a marginal decrease from 93.61% recorded in April
- T.bills accounted for 39.49% of the total OTC market turnover in May, representing a 6.36 percentage points (ppts) decline from its contribution in April (45.85%), while the Money market contributed 17.55% to the total OTC market turnover; from the 11.17% recorded in April. However, total FX turnover declined marginally from 36.60% in April to 36.42% in May

### FX Market

- Total FX turnover in May was \$14.77bn, a 10.31% (\$1.70bn) decline from turnover recorded in April (\$16.47bn). Turnover at the Investors & Exporters (I&E) FX Window in May was \$6.40bn, representing 43.33% of the total FX turnover and a 34.91% (\$1.65bn) MoM increase on the value recorded in April (\$4.74bn), bringing the YTD<sup>4</sup> turnover at the I&E window to \$26.35bn
- Analysis of FX turnover by trade type showed that the contribution of Member-Client trades to total FX turnover declined from 65.70% in April to 58.90% in May, due to a \$2.13bn MoM decline in turnover. However, this represented a 78.40% (\$3.82bn) YoY increase in Member-Client FX trades turnover. Similarly, Inter-member FX trades turnover declined MoM by 10.37% (\$0.19bn) despite its contribution to the total FX turnover remaining flat at 11.04%. Conversely, turnover for Member-CBN<sup>5</sup> FX trades increased MoM by 16.14% (\$0.62bn) to \$4.44bn in May, increasing its contribution to total FX turnover from 23.25% in April to 30.06% in May (see table 1)
- Analysis of FX turnover by product type showed that turnover in FX Spot and Derivatives declined MoM in line with the trend in FX turnover, with both declining by 9.74% and 11.31% respectively. In May, the 23<sup>rd</sup> Naira-settled OTC FX Futures contract (NGUS MAY 30, 2018) with a contract size of \$503.12mm, matured and was settled, whilst a new \$1.00bn 12-month contract (NGUS MAY 29, 2019) was offered by the CBN at \$/₦363.47
- In May, the Naira depreciated across all FX windows/markets, losing ₦0.41 at the I&E FX Window to close at \$/₦360.97 from \$/₦360.51 as at April 30, 2018 and a ₦2.03 spread to the \$/₦ rate at the parallel market which closed the month at \$/₦363.00 (from \$/₦362.00 as at April 30, 2018). The CBN Official Spot rate also depreciated, losing ₦0.25 to close at \$/₦305.95 (from \$/₦305.70 as at April 30, 2018)

### Fixed Income Market (T.bills and FGN<sup>6</sup> bonds)

- In May, total turnover in the fixed income (FI) market was ₦6.56trn, representing a 15.58% (₦1.21trn) MoM decline driven mainly by a 17.58% (₦1.20trn) MoM decline in T.bills turnover. However, T.bills remain the most traded securities in the FI market accounting for 86.10% of the total FI market turnover, albeit 2.08ppts lower than in April
- Total T.bills outstanding as at May 31, 2018 stood at ₦14.01trn, representing a 3.05% (₦0.41trn) MoM increase, driven by net new issuances in the month. Conversely, total FGN Bonds outstanding declined by 2.74% (₦0.23trn) MoM to close at ₦7.80trn
- Trading Intensity in the T.bills and FGN Bonds markets declined from 0.51 and 0.12 respectively in April to 0.41 and 0.11 in May respectively, YTD 2018 Trading Intensity for T.bills and FGN Bonds was 2.19 and 0.56 respectively, compared to 3.07 and 0.67 YTD Trading Intensity for January - May 2017 respectively. T.bills within the 6-12 months maturity were the most actively traded, accounting for 37.46% of the total FI market turnover
- Weighted average yields across the short, medium and long-term maturities on the sovereign yield curve increased by 0.78ppts, 0.23ppts and 0.72ppts respectively (see chart 1)
- Yield spread between the 3-month T.bills and the 10-year FGN Bond tightened by 85bps to close at a 129bps spread in May

### Money Market (Repos/Buy-Backs and Unsecured Placements/Takings)

- Turnover in the secured Money Market (i.e. Repos/Buy-Backs) closed at ₦2.44trn in May, representing a 51.79% (₦0.83trn) MoM increase on the value recorded in April (₦1.60trn) but a 6.98% (₦0.18trn) YoY decline.
- Similarly, Unsecured Placements/Takings closed the month with a turnover of ₦74.25bn, a 16.50% (₦10.52bn) MoM increase on turnover recorded in April (₦63.74bn), and a 49.64% (₦73.18bn) YoY decline
- Average O/N<sup>7</sup> NIBOR<sup>8</sup> increased by 18.89ppts to close at 22.77% in May from 3.88% reported for April, suggesting reduced liquidity in the inter-bank market

### Market Surveillance

- Total number of executed trades reported on the E-Bond Trading System in May was 19,070, representing a MoM decline of 2,504 in the number of executed trades, as total executed trades in T.bills and FGN bonds declined by 1,612 (8.86%) and 892 (26.32%) trades respectively in May 2018 (see table 3)