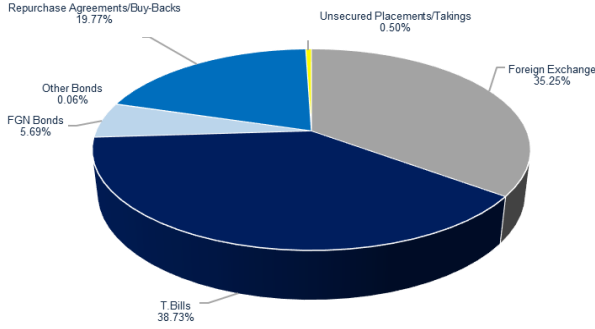


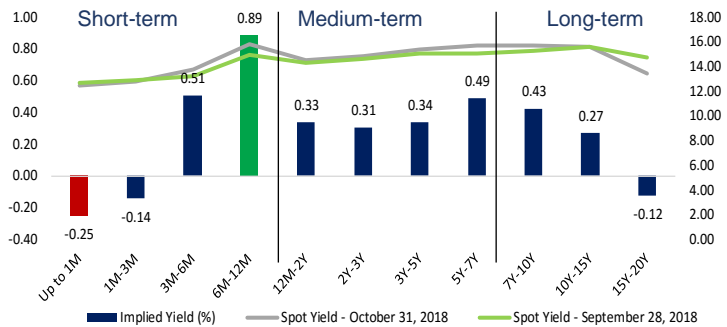
**Chart 1: OTC Turnover**



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

	October	September	MoM Δ <sup>5</sup> (\$'bn)	MoM Change Δ (%)	
<b>Inter-Member*</b>	FX Spot	1.68	1.76	-0.08	-4.34
	FX Swaps	0.41	0.32	0.09	28.66
	FX Futures	0.00	0.00	0.00	0.00
	Others**	0.03	0.04	-0.01	-25.95
	<b>Total</b>	<b>2.13</b>	<b>2.12</b>	<b>0.00</b>	<b>0.22</b>
<b>Member-Clients</b>	FX Spot	4.99	7.79	-2.80	-35.96
	FX Swaps	1.16	1.53	-0.37	-24.27
	FX Futures	0.20	0.45	-0.25	-55.65
	Others	0.44	0.33	0.11	32.26
	<b>Total</b>	<b>6.78</b>	<b>10.10</b>	<b>-3.31</b>	<b>-32.82</b>
<b>Member-CBN</b>	FX Spot	2.04	3.78	-1.74	-46.10
	FX Swaps	0.00	0.00	-0.00	0.00
	FX Futures	0.39	0.71	-0.33	-46.01
	Others	1.19	1.59	-0.40	-25.47
	<b>Total</b>	<b>3.61</b>	<b>6.09</b>	<b>-2.48</b>	<b>-40.71</b>
<b>Total Turnover</b>	<b>12.52</b>	<b>18.31</b>	<b>-5.79</b>	<b>-31.62</b>	

**Chart 2: Benchmark Securities' Implied Yield Change (%)**



**(Table 2) - MONEY MARKET TURNOVER (₦'bn)**

	October	September	MoM Δ (₦'bn)	MoM Δ (%)
<b>Repurchase Agreement/Buy backs</b>	<b>2,639.54</b>	<b>2,116.69</b>	<b>522.84</b>	<b>24.70</b>
<b>Unsecured Placement/Takings</b>	<b>66.90</b>	<b>36.96</b>	<b>29.94</b>	<b>81.02</b>
<b>Total</b>	<b>2,706.44</b>	<b>2,153.65</b>	<b>552.79</b>	<b>25.67</b>

**(Table 3) - MARKET ACTIVITY - EXECUTED TRADE COUNT**

	October			September			MoM Δ (%)
	AFO <sup>9</sup>	RFQ <sup>10</sup>	Total	AFO	RFQ	Total	
<b>T.bills</b>	786	8,720	9,506	1,064	15,082	16,146	-41.12%
<b>FGN bonds</b>	230	979	1,209	507	1,681	2,188	-44.74%
<b>Total</b>	<b>1,016</b>	<b>9,699</b>	<b>10,715</b>	<b>1,571</b>	<b>16,763</b>	<b>18,334</b>	<b>-41.56%</b>

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

Source: FMDQ OTC Securities Exchange

**OTC Market Summary**

- Turnover in the Fixed Income and Currency (FIC) market for the month ended October 31, 2018 was ₦13.35trn, representing a 19.81% (₦3.30trn) MoM<sup>1</sup> decrease on the turnover of ₦16.65trn recorded in September, and a 9.60% (₦1.17trn) YoY<sup>2</sup> increase
- Treasury bills (T. bills) and Foreign Exchange (FX) remained the major drivers of turnover in the FIC market, jointly accounting for 73.98% of turnover in October, despite being lower by 5.02 percentage points (ppts) from their level of contribution in September (79.00%) (see Chart 1)

**FX Market**

- Total FX market turnover in October was ₦4.55trn (\$12.52bn), representing 34.08% of FIC market turnover and a 31.62% (\$5.79bn) MoM decline from the turnover recorded in September (\$18.31bn). Turnover at the Investors & Exporters (I&E) FX Window recorded a 37.94% (\$2.9bn) MoM decrease to close at \$3.91bn from the \$6.30bn recorded in September. YTD<sup>3</sup> turnover at the I&E FX Window closed at \$49.39bn as at October 31, 2018
- The decrease in FX turnover in October was largely attributed to the decline in Member-Clients and Member-CBN<sup>4</sup> trades (32.82% and 40.71% respectively) against the marginal increase in Inter-Member trades (0.22%) (see Table 1)
- Analysis of FX turnover by product type showed that FX Spot was the main driver of the MoM decline with a drop of 34.67% (\$4.62bn). However, FX Derivatives also recorded a MoM decline of 23.45% (\$1.17bn), driven mainly by a 49.14% decline in FX Futures turnover. In October, the 28<sup>th</sup> Naira-settled OTC FX Futures contract (NGUS OCT 31, 2018) with total open contract of \$371.49mm, matured and was settled on FMDQ, whilst a new 12-month Futures contract (NGUS OCT 30, 2019) with a notional principal of \$1.00bn and price of \$/₦365.74 was listed on the OTC Exchange
- In October, the \$/₦ rate at the I&E FX Window appreciated by 38 kobo to close the month at \$/₦ 363.54 (from \$/₦363.92 recorded in September), while the CBN Official Spot rate depreciated by \$/₦0.25 to close at \$/₦306.60 (from \$/₦306.35 recorded in September). The \$/₦ rate at the Parallel market rate also depreciated between September and October by ₦1.00 to close at \$/₦362.00, closing lower than the rate at the I&E FX Window for the fourth consecutive month

**Fixed Income Market (T.bills and FGN<sup>6</sup> Bonds)**

- Total T.bills and FGN Bonds outstanding recorded MoM increases of ₦0.21trn and ₦0.10trn to close at ₦12.87trn and ₦8.21trn respectively as at October 31, 2018 mainly due to net issuances. Also, the domestic debt mix by tenor as at October was 39:61 (long vs. short term) as against the planned ratio of 75:25 outlined in the Debt Management Strategy (2016 -2019)
- Monthly Trading Intensity in the T.bills and FGN Bonds markets decreased from 0.52 and 0.17 in September, to 0.40 and 0.09 in October respectively. YTD trading intensity in both markets stood at 4.39 and 1.29 respectively compared to 5.70 and 1.17 as at the same period in 2017. T. bills within the 6-12 months maturity bracket remained the most actively traded, accounting for 24.82% of the total FI market turnover in October
- Weighted average yields on short and medium-term maturities on the sovereign yield curve rose by 0.64ppts and 0.15ppts respectively in October, whilst the weighted average yields for long-term maturities decreased by 0.27ppts (see Chart 2)
- Yield spread between the 3-month T. bills and the 10-year FGN Bond decreased by 171 basis points (bps) to close at a 0.57% in October (2.28% in September)

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

- Turnover recorded in the Repos/Buy-Backs segment of the Money Market was ₦2.64trn in October, representing a 24.70% (₦0.52trn) MoM increase from ₦2.12trn recorded in September, and a 22.85% (₦0.49trn) YoY increase from the turnover recorded in October 2017
- Similarly, Unsecured Placements/Takings closed the month with a turnover of ₦66.90bn, representing an 81.02% (₦29.94bn) MoM increase from ₦36.96bn recorded in September, and a YoY decline of 66.21% (₦0.13trn) (see Table 2)
- Average O/N<sup>7</sup> NIBOR<sup>8</sup> increased by 699ppts to close at 15.30% in October from 8.61% reported for September, indicative of the tight liquidity experienced in the inter-bank market

**Market Surveillance**

- Total number of executed trades reported on the E-Bond Trading System in October was 10,715 representing a 41.56% (7,619) MoM decline in the number of trades executed, driven by a MoM decrease in T. bills and FGN Bonds trades by 6,640 (41.12%) and 979 (44.74%) respectively (see Table 3)