



# FINANCIAL MARKETS MONTHLY REPORT

April 2024

## Glossary

Abbreviation	Definition	Abbreviation	Definition
<b>bn</b>	Billion	<b>ppts</b>	Percentage Points
<b>bps</b>	Basis Points	<b>Repo</b>	Repurchase Agreement
<b>CBN</b>	Central Bank of Nigeria	<b>RHS</b>	Right Hand Side
<b>CP</b>	Commercial Paper	<b>T.bills</b>	Treasury Bills
<b>DMO</b>	Debt Management Office	<b>trn</b>	Trillion
<b>FGN</b>	Federal Government of Nigeria	<b>US</b>	The United States of America
<b>FX</b>	Foreign Exchange	<b>Y</b>	Year
<b>LCY</b>	Local Currency	<b>YoY</b>	Year-on-Year
<b>LHS</b>	Left Hand Side		
<b>M</b>	Month		
<b>mm</b>	Million		
<b>MM</b>	Money Market		
<b>MoM</b>	Month-on-Month		
<b>N/A</b>	Not Applicable		
<b>NAFEM</b>	Nigerian Autonomous Foreign Exchange Market		
<b>NBS</b>	National Bureau of Statistics		
<b>NDFs</b>	Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards		
<b>NV</b>	Notional Value		
<b>OMO</b>	Open Market Operations		
<b>O/N</b>	Overnight		
<b>OPR</b>	Open Repos		
<b>OTC</b>	Over-the-Counter		

**Sources:**

FMDQ Securities Exchange Limited, DMO, CBN, NBS

**Note:**

Minor discrepancies between sums of constituent figures and totals shown reflect rounding.

## Primary Market

### Sovereign Securities

The DMO sold T.bills valued at ₦1,314.28bn across its auctions in April 2024, representing a 50.76% (₦1,354.61bn) MoM decrease on the value of T-bills sold across its auctions in March 2024 (₦2,668.89bn).

Similarly, the DMO sold FGN Bonds worth ₦626.81bn in April 2024. This represented a 2.95% (₦17.95bn) MoM increase on the amount sold in March 2024 (₦608.86bn).

The ratio of total value of sovereign securities sold by the DMO relative to the amount offered<sup>1</sup> across its auctions in April 2024 was 449.77% and 139.29%, for T.bills and FGN Bonds, respectively, indicating sustained demand for sovereign securities.

In April 2024, the CBN sold OMO Bills worth ₦676.65bn in the primary market, representing a MoM 35.94% (₦379.65bn) decrease on the amount sold in March 2024 (₦1,056.30bn).

#### Average Treasury Bills Discount Rates in Apr. 2024

**91-day – 16.24%**  
16.57% (Mar. '24) ▼

**182-day – 17.00%**  
17.33% (Mar. '24) ▼

**364-day – 20.70%**  
21.25% (Mar. '24) ▼

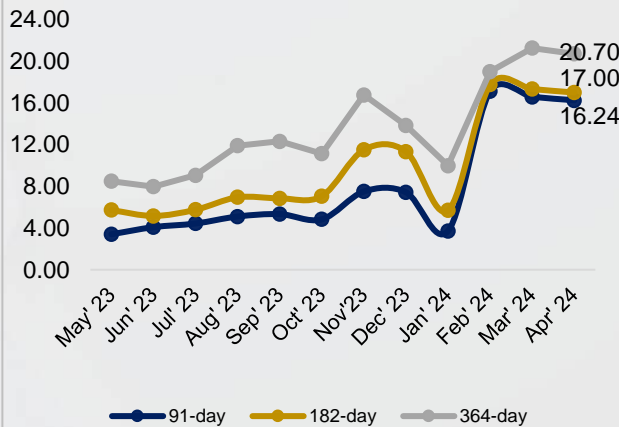
#### Average FGN Bond Coupon Rates in Apr. 2024

**5Y – 19.30%**  
N/A (Mar. '24)

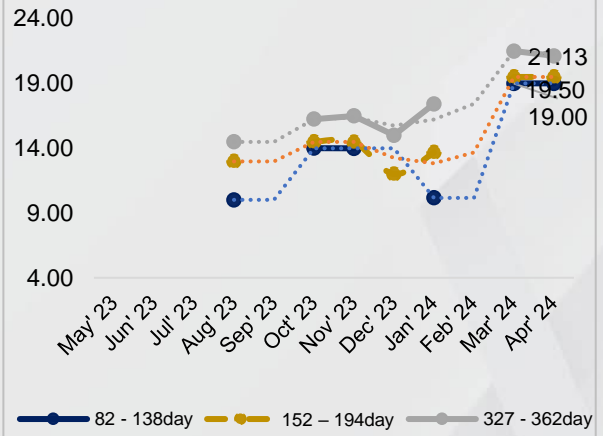
**7Y – 19.75%**  
20.00% (Mar. '24) ▼

**10Y – 20.00%**  
20.45% (Mar. '24) ▼

**Chart 1: Trend in Average T.bills Discount Rate (%)**



**Chart 2: Trend in Average OMO Bills Discount Rate (%)<sup>^</sup>**



**Table 1: Value of New Issuances (₦'bn)**

Product	May '23	Jun. '23	Jul. '23	Aug. '23	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24
<b>T.bills</b>	324.43	404.51	406.10	457.20	544.05	406.90	1,058.91	1,184.97	381.22	2,589.35	2,668.89	1,314.28
<b>FGN Bonds</b>	545.26	473.16	657.84	230.26	316.49	374.76	434.50	273.63	418.20	1,494.91	608.86	626.81

**Table 2: Value of Outstanding Securities (₦'bn)**

Product	May '23	Jun. '23	Jul. '23	Aug. '23	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr '24
<b>T.bills</b>	4,834.98	4,501.06	4,688.17	4,722.71	4,722.71	4,984.92	5,522.00	6,521.99	6,522.47	8,428.78	10,884.71	11,906.79
<b>FGN Bonds</b>	17,673.59	18,148.91	18,807.45	19,038.60	19,317.19	19,693.24	20,130.17	20,439.81	20,441.57	22,355.89	22,246.55	25,234.92

**Notes:**

1 – Amount Offered in April 2024 was ₦292.21bn and ₦450.00bn for T.bills and FGN Bonds, respectively

<sup>^</sup> – Chart 2 has trend lines due to missing data as a result of no primary market activity for OMO Bills

## Primary Market

### Non-Sovereign Securities

The total value of CPs quoted on FMDQ Exchange in April 2024 was ₦63.07bn, representing a MoM decrease of 44.00% (₦49.55bn) from the value of CPs quoted in March 2024 (₦112.62bn). CPs quoted in April 2024 were issued by institutions from various sectors including Manufacturing (9), Agriculture (2), Consumer Staples (2), Financial Services (2), and the Free Trade Zone (1). (See Chart 3)

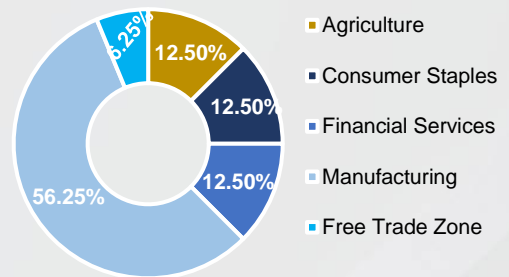
However, CPs worth ₦135.82bn matured and were redeemed resulting in an 8.42% (₦72.76bn) MoM decrease in the total outstanding value to ₦791.35bn in April 2024. (See Table 5)

There were no new listings and redemptions of Non-Sovereign bonds on FMDQ Exchange in April 2024, as such the value of Non-Sovereign Bonds outstanding remained flat at ₦2,194.51bn in April 2024.

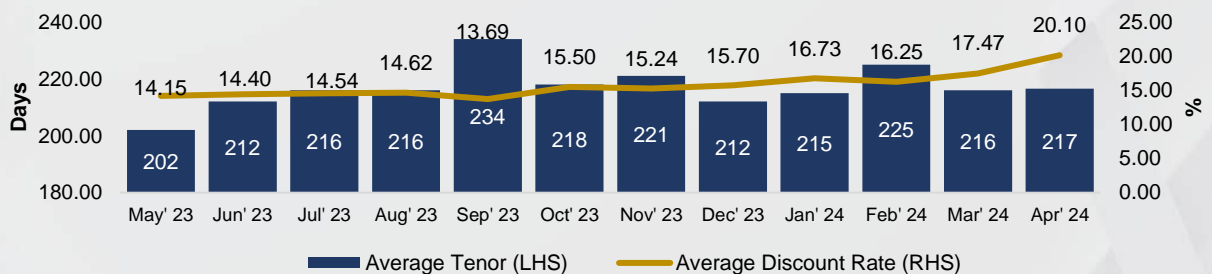
**Table 3: Average Discount Rates for Quoted CPs**

Tenor	Apr. 24	Mar. 24	Trend
<=90 days	-	-	N/A
91 – 180 days	19.70%	17.24%	▲
181 – 270 days	20.34%	17.77%	▲

**Chart 3: Sectoral Allocation of Quoted CPs**



**Chart 4: Average Tenor (Days) vs Discount Rates (%) for Quoted CPs**



**Table 4: Value of New Listings/Quotations (₦'bn)**

Product	May '23	Jun. '23	Jul. '23	Aug. '23	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr '24
CPs	191.89	82.13	117.32	145.27	146.22	36.51	77.40	246.33	168.89	50.33	112.62	63.07
Corporate Bonds	31.00	17.50	0.00	46.00	0.00	23.00	26.00	0.00	5.50	0.00	0.00	0.00
Subnational Bonds	0.00	0.00	137.33	19.81	115.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Table 5: Outstanding Value of Admitted Securities (₦'bn)**

Product	May '23	Jun. '23	Jul. '23	Aug. '23	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24
CPs	845.19	831.94	917.40	938.34	966.39	948.56	806.35	821.25	887.96	790.75	864.11	791.35
Corporate Bonds	1,740.61	1,751.11	1,743.15	1,789.15	1,789.15	1,796.86	1,822.86	1,787.76	1,793.26	1,793.26	1,778.26	1,778.26
Subnational Bonds	144.11	144.11	281.43	301.25	416.25	416.25	416.25	416.25	416.25	416.25	416.25	416.25

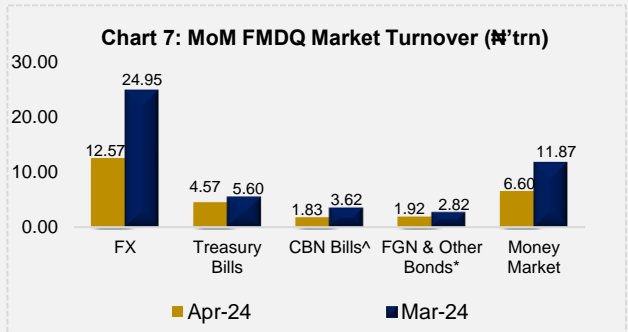
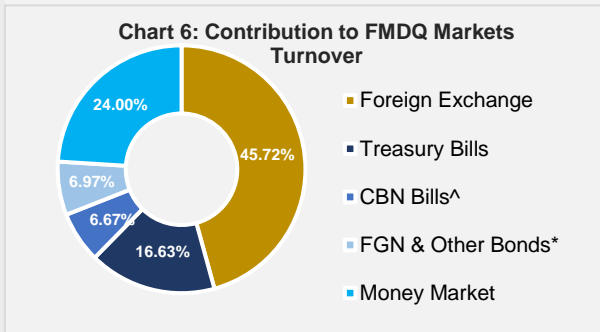
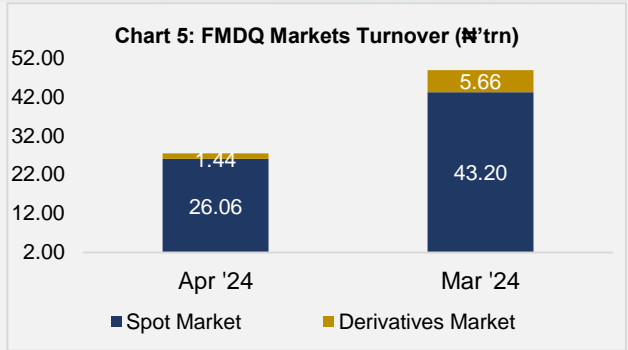
Note: \*Non-Sovereign Bonds include LCY Corporate Bonds and LCY Subnational Bonds (includes LCY Sukuk)

## Secondary Market

### Market Turnover by Products

In April 2024, the total secondary market turnover on FMDQ Exchange was ₦27.50trn, representing a MoM decrease of 43.73% (₦21.37trn) and a YoY increase of 119.01% (14.94trn) from March 2024 and April 2023 figures, respectively.

Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 69.72% of the total secondary market turnover in April 2024. (See Chart 6)



## Spot Market

Total spot market turnover for all products traded in the secondary market in April 2024 was ₦26.06trn, representing a MoM decrease of 39.68% (₦17.14trn) from March 2024 figures.

The MoM decrease in total spot market turnover was driven by a decrease in turnover across all spot market product categories, as FX, MM and FI turnover decreased MoM by 42.27% (₦8.15trn), 44.40% (₦5.27trn) and 30.87% (₦3.72trn), respectively.

The decrease in FI and MM turnover was driven by the MoM decrease across all product categories in the review period.

### Spot Market Turnover and Percentage Contribution

#### FX Market

₦11.14trn (\$9.12bn) ▶ 42.73%  
₦19.29trn (Mar '24)

#### Fixed Income Market

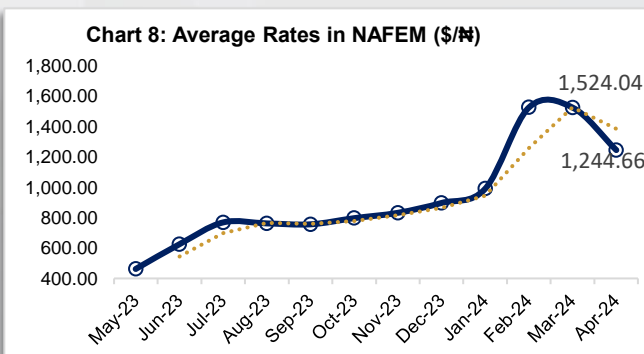
₦8.33trn (\$6.87bn) ▶ 31.95%  
₦12.04trn (Mar '24)

#### Money Market

₦6.60trn (\$5.41bn) ▶ 25.32%  
₦11.87trn (Mar '24)

## Spot FX Market

Spot FX market turnover was \$9.12bn (₦11.14trn) in April 2024, representing a 27.68% (\$3.49bn) MoM decrease from the turnover recorded in March 2024 (\$12.61bn).



In the FX Market, the Naira steeply appreciated against the US Dollar, with the spot exchange rate (\$/₦) decreasing by 22.45% (₦279.38) to close at an average of \$/₦1,244.66 in April 2024 from \$/₦1,524.04 recorded in March 2024. (See Chart 8)

Further, exchange rate volatility slightly increased in April 2024 as the Naira traded within an exchange rate range of \$/₦1,072.74 – \$/₦1,419.11 compared to \$/₦1,300.43 – \$/₦1,627.40 recorded in March 2024.

**Notes:**

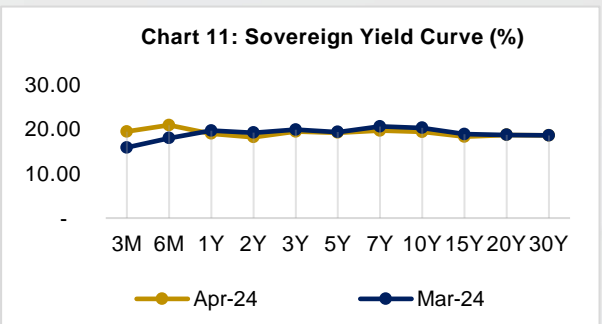
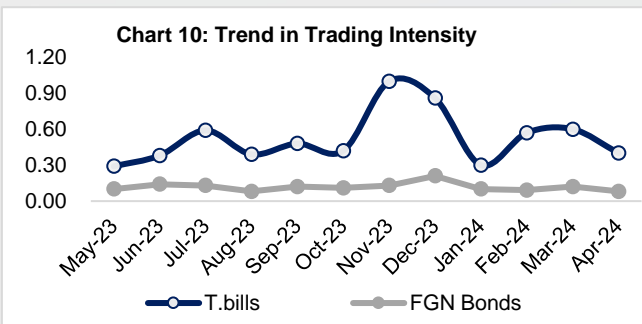
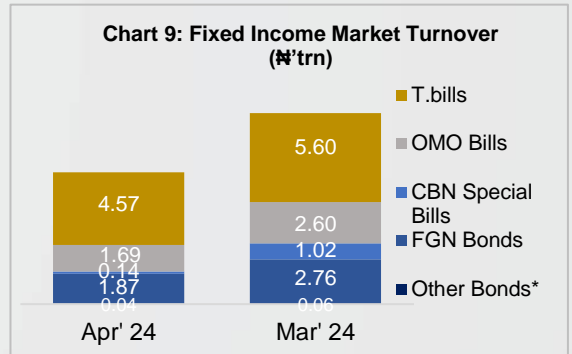
^ Refers to OMO and CBN Special Bills

\*Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

### Spot Fixed Income Market

FI market turnover in April 2024 was ₦8.33trn, representing a MoM decrease of 30.87% (₦3.72trn) from the turnover recorded in March 2024 (₦12.04trn). The MoM decrease in turnover was driven by the 18.35% (₦1.03trn), 31.94% (₦0.90trn), and 34.92% (₦0.91trn), decrease in turnover across T.Bills, FGN & Other Bonds\*, OMO Bill and Special Bills transactions, respectively. (See Chart 9).

As a result, the trading intensity (TI) for FGN Bonds and T.Bills decreased MoM by 0.04bps and 0.20bps to 0.08 and 0.40, respectively. (See Chart 10)

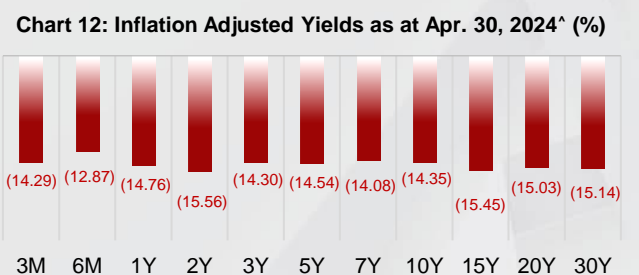


T.bills with term-to-maturity (TTM) between >6M – 12M and FGN Bonds with TTM between >5Y - 10Y, were the most traded sovereign FI securities, accounting for 64.87% (₦4.18trn) and 16.25% (₦1.05trn) of the secondary market turnover for sovereign FI securities in the spot market, respectively. (See table 6 below)

T.Bills			FGN Bonds							Total
Up to 3M	>3M - 6M	>6M - 12M	>12M - 3Y	>3Y - 5Y	>5Y - 10Y	>10Y - 15Y	>15Y - 20Y	>20Y		
0.27	0.13	4.18	0.44	0.03	1.05	0.17	0.05	0.13	<b>6.45</b>	

In April 2024, the sovereign yield curve experienced a 4.43ppts MoM decrease in yield spread<sup>1</sup> to -0.06ppts, indicating an inversion of the yield curve. (See Chart 11)

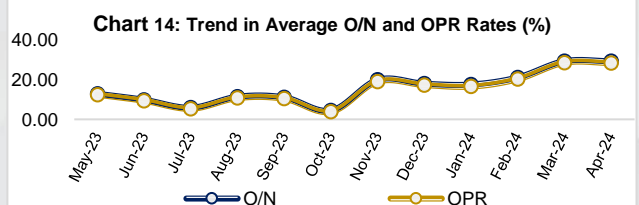
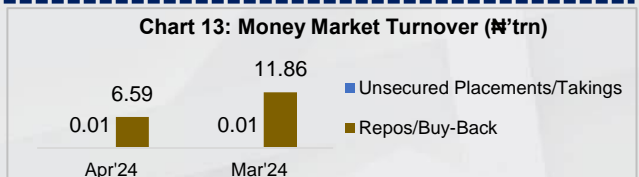
Real (inflation-adjusted) yields remained negative across the yield curve in April 2024, declining further on the back of rising inflation which remains higher than policy interest rates. (See Chart 12)



### Spot Market – (Money Market)

Total turnover in the MM segment decreased MoM by 44.40% (₦5.27trn) to ₦6.59trn in April 2024. The MoM decrease was driven by the 44.43% (₦5.27trn) and the 9.44% (₦1.02bn) decrease in Repos/Buy-backs and Unsecured Placement/Takings transactions, respectively (See Chart 13).

The average O/N rate and OPR rate (secured lending rate) decreased MoM by 0.10ppts and 0.23ppts respectively, to close at an average of 29.20% and 28.22% in April 2024 (See Chart 14).



**Notes:**

1 – Refers to the yield spread between the 3M and 10Y sovereign FI securities  
 ^ – Adjusted with April 2024 inflation rate (33.69%)  
 \* – Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

## Derivatives Market

### FX Derivatives Market

Total turnover in the FX derivatives segment in April 2024 was \$1.18bn (₦1.44trn), representing a MoM decrease of 68.22% (\$2.53bn) from March 2024 figures.

The MoM decrease in the FX derivatives turnover was driven by the 61.03% (\$1.70bn) and 90.12% (\$0.83bn) decrease in FX Swaps and FX Forwards turnover, respectively, whilst the FX Futures market was inactive during the review period.

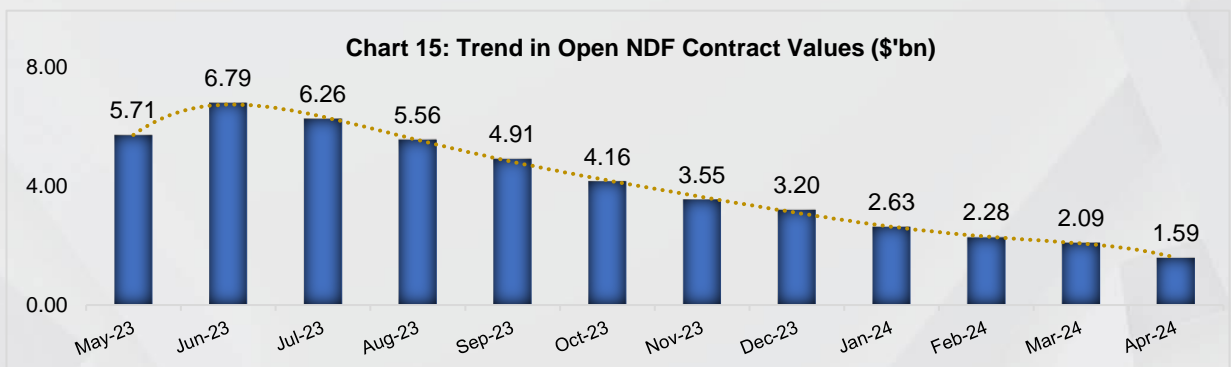
FX Swaps <sup>1</sup>	Contribution
<b>\$1.09bn</b> (₦1.33trn)	▶ <b>92.31%</b>
<b>\$0.09bn</b> (₦0.11trn)	▶ <b>7.69%</b>
<b>\$0.00bn</b> (₦0.00trn)	▶ <b>0.00%</b>

### Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS APR 24, 2024) expired and open positions with a total notional value (NV) of \$0.50bn were settled. However, no new far month (60M) contract<sup>2</sup> was introduced in the Cleared Naira-Settled Non-Deliverable Forwards market in the review period, continuing the trend since August 2023. Consequently, the TTM of the farthest open contract is fifty-two (52) months (i.e., NGUS AUG 30, 2028 contract)

As a result, the cumulative NV of open Cleared Naira-Settled Non-Deliverable Forwards contracts decreased to \$1.59bn as at April 30, 2024, representing a MoM and YoY decrease of 23.92% (\$0.50bn) and 69.60% (\$3.64bn), respectively, and continuing its downward trend for the tenth (10<sup>th</sup>) consecutive month (See Chart 15)

<b>Matured Contract</b> NGUS APR 24, 2024 (\$/₦497.97*)	▲
<b>New 60M Contract</b> Not Applicable (N/A) (\$/₦0.00)	
NV of Open Positions in NDF Contracts – \$1.59bn	▼



In the period under review, no new trades were recorded on contracts between 13M – 60M.

**Notes:**

\* – Refers to the last published rate for **NGUS FEB 28 2024** contract as at June 13, 2023.

1 – Includes Other FX Derivatives

2 – In response to ongoing reforms in NAFEM, the Central Bank of Nigeria (“**CBN**”) halted the quotation of offer rates for all Cleared Naira-Settled Non-Deliverable Forwards contracts on September 26, 2023.

## Derivatives Market..2

The average modelled forward rates for the long-term (i.e., 13M – 60M) Cleared USD/NGN Non-Deliverable Forwards contracts in April 2024 was lower than rates for March 2024 across all tenors, mainly as a result of the MoM appreciation of the Nigerian Naira against the US Dollar in the spot market. (See Table 7)

However, the indicative rates for short-term (i.e., ≤12M) Non-Deliverable FX Forwards contracts in April 2024 were higher than indicative rates for March 2024 across all tenors. (See Table 8)

**Table 7: Average Modelled Rates (\$/₦)<sup>1</sup> of Cleared Naira-Settled Non-Deliverable Forwards**

	13-18M	19-24M	25-30M	31-36M	37-42M	43-48M	49-54M	55-60M
Apr-24	1,460.39	1,596.19	1,743.69	1,905.84	2,081.89	2,274.21	2,487.11	2,732.62
Mar-24	1,733.90	1,879.97	2,036.23	2,208.86	2,393.69	2,594.00	2,814.00	3,051.07
Change	273.51 ↓	283.78 ↓	292.54 ↓	303.02 ↓	311.80 ↓	319.79 ↓	326.89 ↓	318.45 ↓

**Table 8: Average Indicative Rates (\$/₦) of Non-Deliverable Forwards**

	1M	2M	3M	6M	12M
Apr-24	1,410.63	1,434.22	1,454.89	1,505.73	1,638.43
Mar-24	1,334.58	1,357.57	1,375.00	1,438.11	1,541.08
Change	76.05 ↑	76.65 ↑	79.89 ↑	67.62 ↑	97.35 ↑

**Notes:**

1 – In response to ongoing reforms in NAFEM, the Central Bank of Nigeria (“CBN”) halted the quotation of offer rates for all Cleared Naira-Settled Non-Deliverable Forwards (“Cleared USD/NGN NDFs”) contracts on September 26, 2023. However, due to the protracted unavailability of offer quotes in the Market, as well as to facilitate price formation and effective risk management in the Market, FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) commenced the publication of modelled Cleared USD/NGN NDFs rates (using the FMDQ Cleared USD/NGN NDFs Closing Rate Methodology) to ensure consistency, standardisation, and transparency, broadly in line with the tenets and best practices of derivatives markets globally (click [here](#) for more information).



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