



# FINANCIAL MARKETS MONTHLY REPORT

September 2024

## Glossary

Abbreviation	Definition	Abbreviation	Definition
<b>bn</b>	Billion	<b>OTC</b>	Over-the-Counter
<b>bps</b>	Basis Points	<b>ppts</b>	Percentage Points
<b>CBN</b>	Central Bank of Nigeria	<b>Repo</b>	Repurchase Agreement
<b>CP</b>	Commercial Paper	<b>RHS</b>	Right Hand Side
<b>D</b>	Day	<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		

**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 ₦622.74bn across its auctions in September 2024, representing a 22.80% (₦115.61bn) MoM increase on the value of T-bills sold across its auctions in August 2024 (₦507.13bn).

Similarly, the DMO sold FGN Bonds worth ₦264.53bn in September 2024. This represented a 29.41% (₦110.22bn) MoM decrease on the amount sold in August 2024 (₦374.75bn).

Sovereign securities offered<sup>1</sup> by the DMO in its FGN Bond and T.bills auctions were oversubscribed by 176.59% and 220.66% respectively during the review period.

In September 2024, the CBN sold OMO Bills worth ₦714.50bn, representing a 56.10% (₦912.96bn) decrease on the amount sold in August 2024 (₦1,627.46bn).

#### Average T.bills Discount Rates in Sep. 2024

**91-day – 16.88%**  
18.35% (Aug. '24) ▼

**182-day – 17.33%**  
19.35% (Aug. '24) ▼

**364-day – 19.18%**  
21.39% (Aug. '24) ▼

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

**5Y – 19.00%**  
20.30% (Aug. '24) ▼

**7Y – 19.99%**  
20.90 (Aug. '24) ▼

**9Y – 20.05%**  
21.50% (Aug. '24) ▼

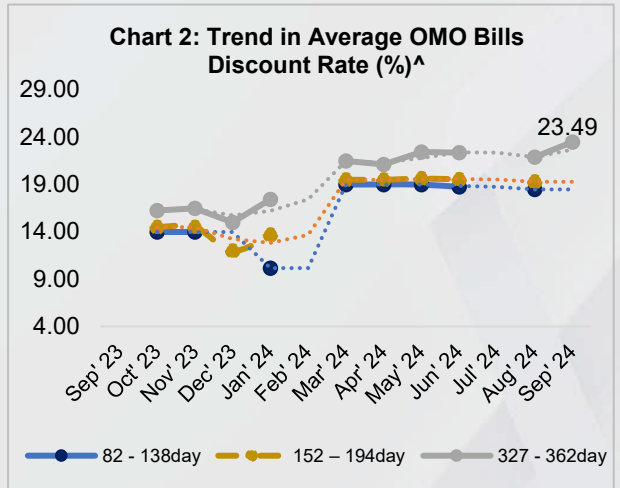
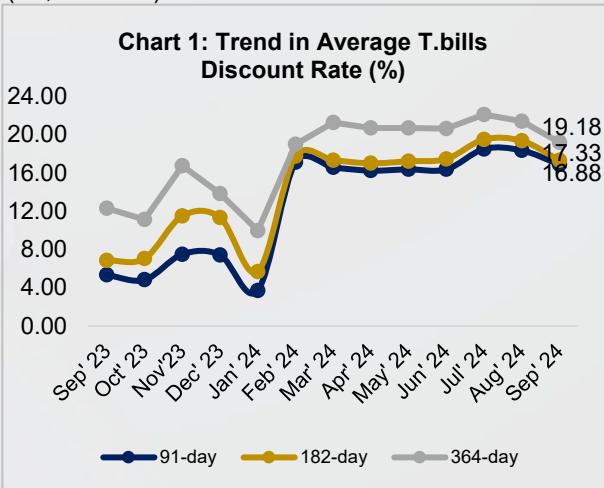


Table 1: Value of New Issuances (₦'bn)

Product	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24
T.bills	544.05	406.90	1,058.91	1,184.97	381.22	2,589.35	2,668.89	1,314.28	913.64	617.92	277.96	507.13	622.74
FGN Bonds	316.49	374.76	434.50	273.63	418.20	1,494.91	608.86	626.81	682.07	297.01	225.71	374.75	264.53

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

Product	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24
T.bills	4,722.71	4,984.92	5,522.00	6,521.99	6,522.47	8,428.78	10,884.71	11,906.79	12,132.09	12,255.94	12,297.10	12,178.15	12,178.15
FGN* Bonds	19,317.19	19,693.24	20,130.17	20,439.81	20,441.57	22,355.89	22,246.55	25,234.92	25,922.05	26,222.00	26,450.21	26,828.85	27,095.88

**Notes:**

<sup>1</sup> – Amount Offered in September 2024 was ₦ 622.74bn and ₦150.00bn 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

\* – FGN Bonds includes FGN Bonds, FGN Savings Bonds and FGN Green Bonds

## Primary Market

### Non-Sovereign Securities

There were no new listings and redemptions of Non-Sovereign Bonds listed on FMDQ Exchange in September 2024, as such the value of Non-Sovereign Bonds outstanding remained flat at ₦2,254.42bn.

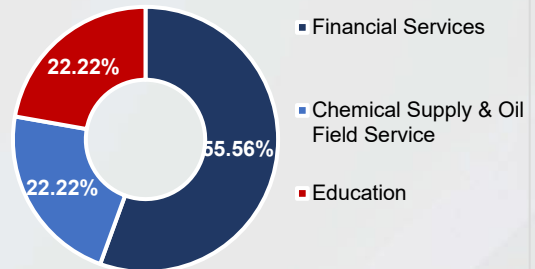
The total value of CPs quoted on FMDQ Exchange in September 2024 was ₦38.52bn, representing a MoM decrease of 42.45% (₦28.41bn) from the value of CPs quoted in August 2024 (₦66.93bn). In September 2024, quoted CPs were issued by institutions from the Financial Services (5), Chemical Supply & Oil Service (2), and the Education (2) sectors. (See Chart 3)

The outstanding value for CPs decreased MoM by 2.06% (₦13.07bn) to ₦622.78bn in September 2024 due to the ₦51.59bn worth of CPs that matured during the review period. (See Table 5)

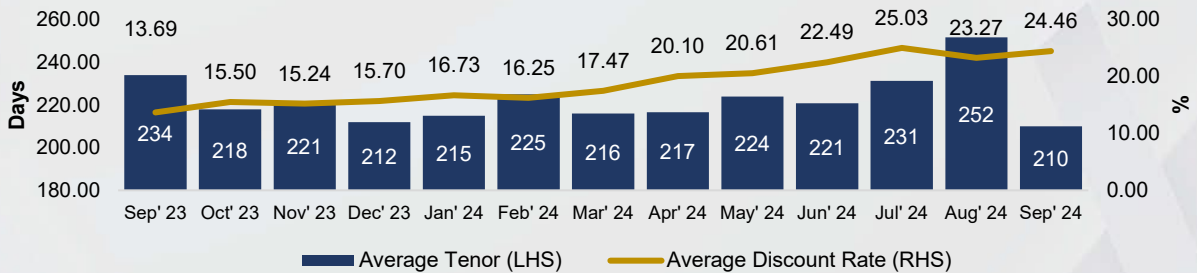
**Table 3: Average Rates for Listed/Quoted Non-Sovereign Securities**

Type	Tenor	Sep. 24	Aug. 24	Trend
CPs	≤90D	-	17.00%	N/A
	91D – 180D	24.39%	23.67%	▲
	181D – 270D	24.52%	24.05%	▲
Non-Sovereign Bonds*	5Y – 10Y	-	21.05%	N/A

**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	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24
CPs	146.22	36.51	77.40	246.33	168.89	50.33	112.62	63.07	258.19	92.54	17.79	66.93	38.52
Corporate Bonds	0.00	23.00	26.00	0.00	5.50	0.00	0.00	0.00	1.15	0.00	0.00	62.40	0.00
Subnational Bonds	115.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Product	Sep. '23	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24
CPs	966.39	948.56	806.35	821.25	887.96	790.75	864.11	791.35	925.68	978.52	893.28	635.85	622.78
Corporate Bonds	1,789.15	1,796.86	1,822.86	1,787.76	1,793.26	1,793.26	1,778.26	1,778.26	1,775.77	1,775.77	1,775.77	1,838.17	1,838.17
Subnational Bonds	416.25	416.25	416.25	416.25	416.25	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 September 2024, the total secondary market turnover on FMDQ Exchange was ₦35.99trn, representing a MoM decrease of 10.96% (₦4.43trn) and a YoY increase of 54.63% (₦12.72trn) from August 2024 and September 2023 figures, respectively.

Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 74.63% of the total secondary market turnover in September 2024. (See Chart 6)

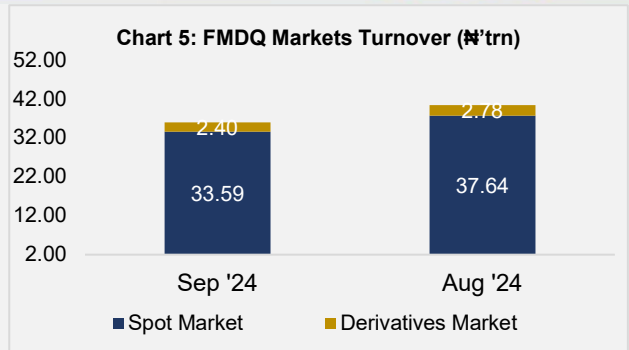
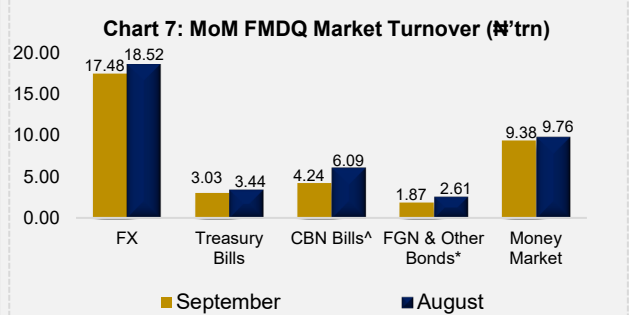
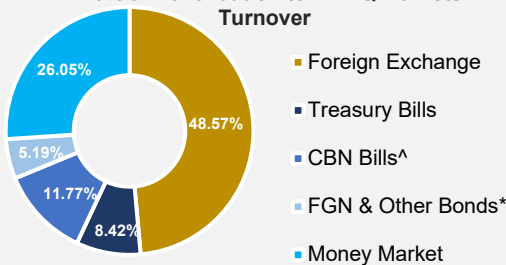


Chart 6: Contribution to FMDQ Markets Turnover



## Spot Market

Total spot market turnover for all products traded in the secondary market in September 2024 was ₦33.59trn, representing a MoM decrease of 10.75% (₦4.05trn) from August 2024 figures.

The MoM decrease in total spot market turnover was driven by the decrease in turnover across the FX, MM, and FI turnover by 4.17% (₦0.66trn), 3.96% (₦0.39trn), and 24.75% (₦3.00trn), respectively.

The decrease in MM turnover was driven by the MoM decrease across all MM product categories. Similarly, the decrease in FI turnover was driven by the MoM decrease across all FI product categories, whilst CBN Special Bills remained inactive.

### Spot Market Turnover and Percentage Contribution

**FX Market**  
 ₦15.08trn (\$9.46bn) ▶ 44.90%  
 ₦15.74trn (Aug '24)

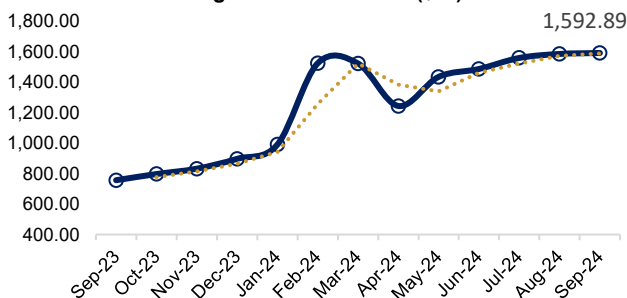
**Fixed Income Market**  
 ₦9.13trn (\$5.73bn) ▶ 27.18%  
 ₦12.14m (Aug '24)

**Money Market**  
 ₦9.38trn (\$5.88bn) ▶ 27.92%  
 ₦9.76m (Aug '24)

## Spot FX Market

Spot FX market turnover was \$9.46bn (₦15.08trn) in September 2024, representing a 4.44% (\$0.44bn) MoM decrease from the turnover recorded in August 2024 (\$9.90bn).

Chart 8: Average Rates in NAFEM (\$/₦)



In the FX Market, the Naira depreciated against the US Dollar, with the spot exchange rate (\$/₦) increasing by 0.40% (\$/₦6.33) to close at an average of \$/₦1,592.89 in September 2024 from \$/₦1,586.56 recorded in August 2024. (See Chart 8)

Further, exchange rate volatility increased significantly in September 2024 as the Naira traded within an exchange rate range of \$/₦1,539.65 – \$/₦1,667.42 compared to \$/₦1,543.84 – \$/₦1,617.08 recorded in August 2024.

**Notes:**

<sup>^</sup> Refers to OMO and CBN Special Bills

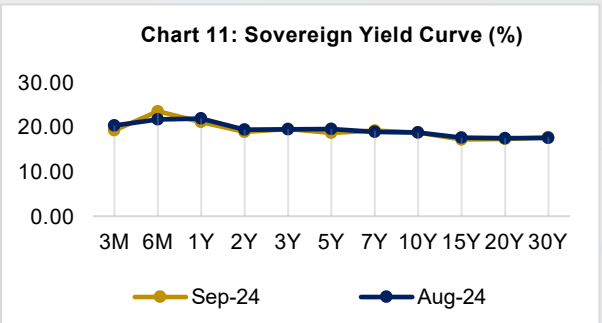
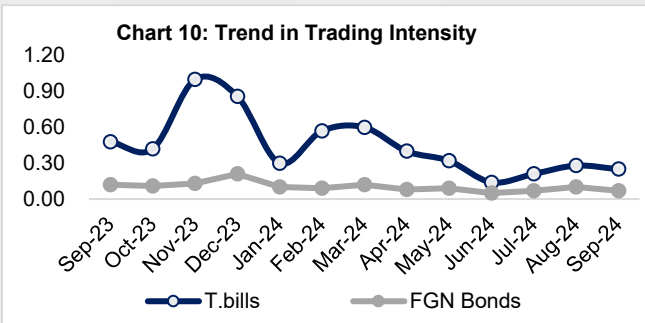
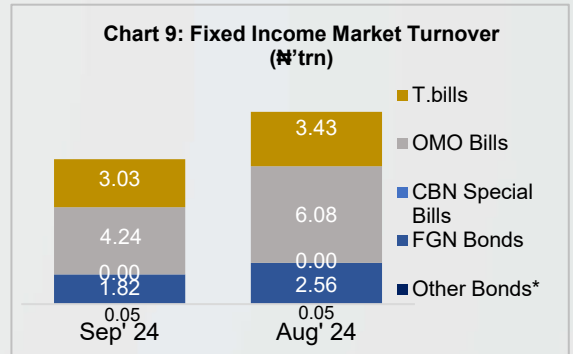
<sup>\*</sup> Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

### Spot Fixed Income Market

FI market turnover in September 2024 was ₦9.13trn, representing a MoM decrease of 24.75% (₦3.00trn) from the turnover recorded in August 2024 (₦12.14trn).

The MoM decrease in turnover was driven by the decrease in T.bills, OMO Bills, FGN Bonds, and Other Bonds\* transactions during the review period. (See Chart 9)

The trading intensity (TI) for T.bills and FGN Bonds both decreased MoM by 0.03bps to 0.25 and to 0.07, 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 40.28% (₦1.95trn) and 26.31% (₦1.27trn) 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	
0.46	0.62	1.95	0.18	0.14	1.27	0.09	0.01	0.12	<b>4.85</b>

The sovereign yield curve experienced a 1.10ppts MoM increase in yield spread<sup>1</sup> to -0.45ppts in September 2024, depicting the flattening of the yield curve. (See Chart 11)

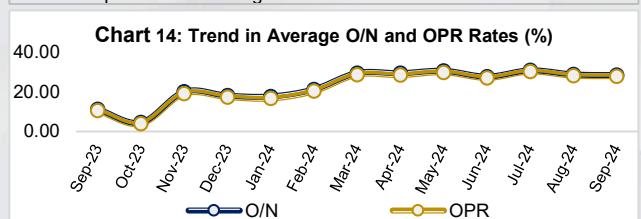
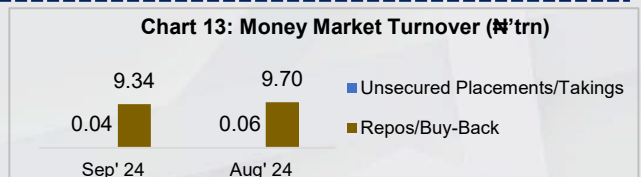
In September 2024, one (1)-year real (inflation-adjusted) yields in Nigeria remained negative (-10.35%) and recorded the lowest value compared to selected emerging markets. (See Chart 12)



### Spot Market – (Money Market)

Total turnover in the MM segment decreased MoM by 3.96% (₦0.39trn) to ₦9.38trn in September 2024. The MoM decrease was jointly driven by the 3.72% (₦0.36trn) and the 41.57% (₦0.03trn) decrease in Repos/Buy-backs and Unsecured Placement/Takings, respectively. (See Chart 13)

The average O/N rate and OPR rate (secured lending rate) decreased MoM by 0.36ppts and 0.24ppts respectively, to close at an average of 28.21% and 27.68% in September 2024. (See Chart 14)



**Notes:**

<sup>1</sup> – Refers to the yield spread between the 3M and 10Y sovereign FI securities

<sup>^</sup> – Adjusted with September 2024 inflation rate

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

## Derivatives Market

### FX Derivatives Market

Total turnover in the FX derivatives segment in September 2024 was \$1.51bn (₦2.40trn), representing a MoM decrease of 14.04% (\$0.25bn) from August 2024 figures (\$1.75bn).

The MoM decrease in the FX derivatives turnover was driven by the 22.78% (\$0.39bn) decrease in FX Swaps, offsetting the 245.50% (\$0.14bn) increase in FX Forwards transactions, whilst the FX Futures market remained inactive during the review period.

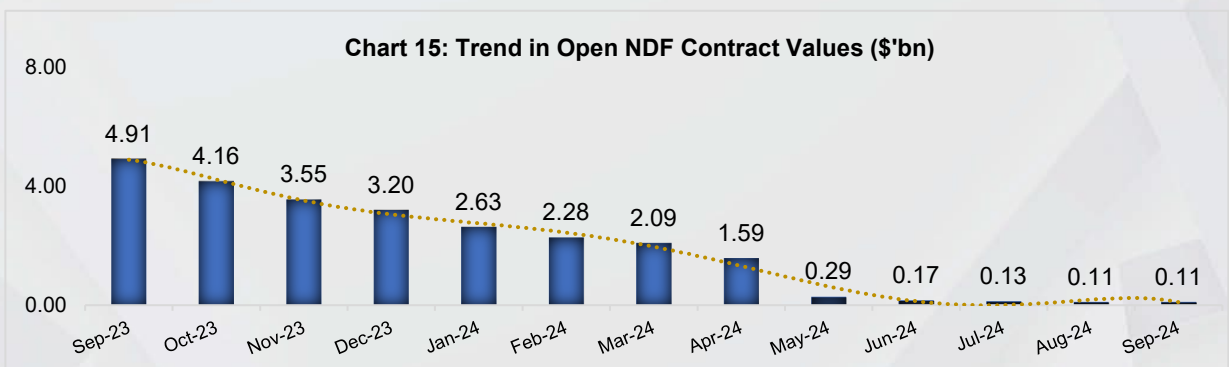
FX Swaps <sup>1</sup>	Contribution
<b>\$1.31bn</b> (₦2.09trn)	▶ <b>86.75%</b>
<b>\$0.20bn</b> (₦0.31trn)	▶ <b>13.25%</b>
<b>\$0.00bn</b> (₦0.00trn)	▶ <b>0.00%</b>

### Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS SEP 25, 2024) expired and open positions with a total notional value (NV) of \$0.003bn were settled. 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 forty-seven (47) months (i.e., NGUS AUG 30, 2028 contract).

As a result, the cumulative NV of open Cleared Naira-Settled Non-Deliverable Forwards contracts decreased slightly to \$0.109bn as at September 30, 2024, representing a MoM and YoY decrease of 2.41% (\$0.003bn) and 97.78% (\$4.80bn). (See Chart 15)

<b>Matured Contract</b> NGUS SEP 25, 2024 (\$/₦914.19*)	▲
<b>New 60M Contract</b> Not Applicable (N/A) (\$/₦0.00)	
NV of Open Positions in NDF Contracts – \$0.11bn	



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..12

The average modelled forward rates for the long-term (i.e., 37M – 60M) Cleared USD/NGN Non-Deliverable Forwards contracts in September 2024 were higher than those for August 2024 across all tenors. (See Table 7)

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

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

	37-42M	43-48M	49-54M	55-60M
Sep-24	3,319.97	3,717.35	4,159.28	4,649.23
Aug-24	3,286.72	3,677.41	4,117.47	4,602.47
Change	33.25 ↑	39.93 ↑	41.81 ↑	46.76 ↑

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

	1M	2M	3M	6M	12M
Sep-24	1,679.50	1,715.56	1,750.69	1,857.19	2,073.76
Aug-24	1,624.90	1,647.09	1,670.42	1,750.35	1,904.16
Change	54.60 ↑	68.47 ↑	80.27 ↑	106.84 ↑	169.60 ↑

**Notes:**

<sup>1</sup> – 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).

\* - Following the introduction of the long dated Naira Settled Exchange-Traded FX Futures (“NSEFF”), the 13M – 36M Cleared Naira-Settled Non-Deliverable Forward contracts were suspended in July 2024 to ensure adequate delineation from the NSEFF



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