



FINANCIAL MARKETS MONTHLY REPORT

October 2024

Glossary

Abbreviation	Definition	Abbreviation	Definition
bn	Billion	OTC	Over-the-Counter
bps	Basis Points	ppts	Percentage Points
CBN	Central Bank of Nigeria	Repo	Repurchase Agreement
CP	Commercial Paper	RHS	Right Hand Side
D	Day	T.bills	Treasury Bills
DMO	Debt Management Office	trn	Trillion
FGN	Federal Government of Nigeria	US	The United States of America
FX	Foreign Exchange	Y	Year
LCY	Local Currency	YoY	Year-on-Year
LHS	Left Hand Side		
M	Month		
mm	Million		
MM	Money Market		
MoM	Month-on-Month		
N/A	Not Applicable		
NAFEM	Nigerian Autonomous Foreign Exchange Market		
NBS	National Bureau of Statistics		
NDFs	Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards		
NV	Notional Value		
OMO	Open Market Operations		
O/N	Overnight		
OPR	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 ₦456.57bn across its auctions in October 2024, representing a 26.68% (₦166.17bn) MoM decline in the value of T-bills sold across its auctions in September 2024 (₦622.74bn).

Conversely, the DMO sold FGN Bonds worth ₦289.60bn in October 2024. This marked a 9.48% (₦25.07bn) MoM increase on the amount sold in September 2024 (₦264.53bn).

Sovereign securities offered¹ by the DMO in its FGN Bond and T.bills auctions were oversubscribed by 116.29% and 67.14%, respectively, during the review period.

In October 2024, the CBN sold OMO Bills worth ₦731.14bn, representing a 2.33% (₦16.64bn) uptick on the amount sold in September 2024 (₦714.50bn).

Average T.bills Discount Rates in Oct. 2024

91-day – 17.00%
16.88% (Sep. '24) ▲

182-day – 17.50%
17.33% (Sep. '24) ▲

364-day – 20.26%
19.18% (Sep. '24) ▲

Average FGN Bond Coupon Rates in Oct. 2024

5Y – 20.75%
19.00% (Sep. '24) ▲

7Y – 21.74%
19.99% (Sep. '24) ▲

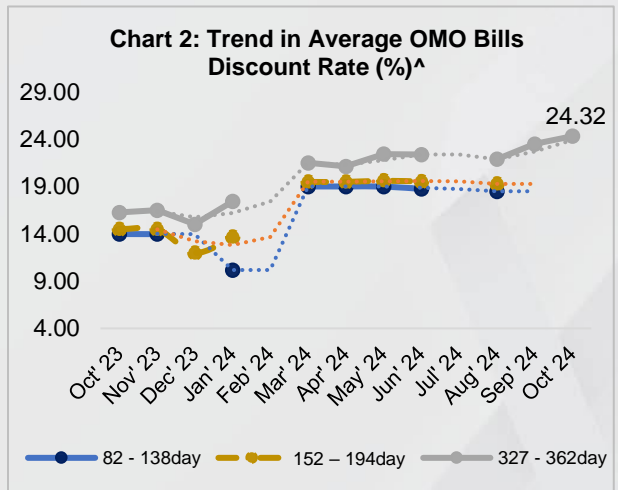
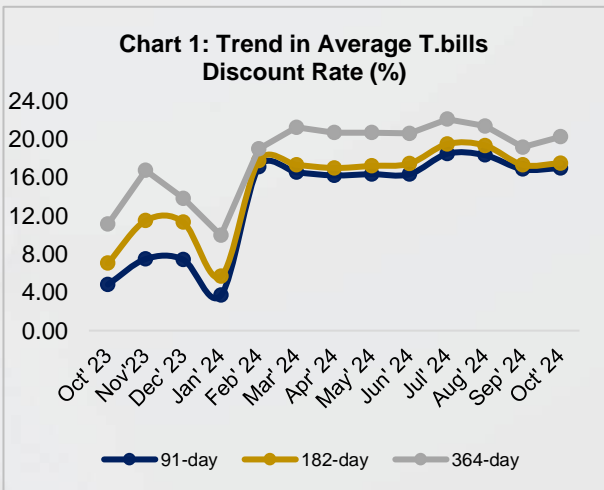


Table 1: Value of New Issuances (₦'bn)

Product	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24	Oct. '24
T.bills	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	456.57
FGN Bonds	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	289.60

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

Product	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24	Oct. '24
T.bills	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	12,178.15
FGN* Bonds	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	27,384.99

Notes:

1 – Amount Offered in October 2024 was ₦ 456.57bn and ₦180.00bn for T.bills and FGN Bonds, respectively

^ – 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 October 2024, the value of Non-Sovereign Bonds outstanding was ₦2,240.32bn.

The total value of CPs quoted on FMDQ Exchange in October 2024 was ₦30.58bn, representing a MoM decrease of 20.61% (₦7.94bn) in the value of CPs quoted in September 2024 (₦38.52bn). In October 2024, quoted CPs were issued by institutions from the Agriculture (4), Financial Services (1), and the Retail (2) sectors. (See Chart 3)

The outstanding value for CPs decreased MoM by 9.23% (₦57.50bn) to ₦565.28bn in October 2024 due to the ₦88.08bn worth of CPs that matured during the review period. (See Table 5)

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

Type	Tenor	Oct. 24	Sep. 24	Trend
CPs	91D – 180D	24.62%	24.39%	▲
	181D – 270D	24.12%	24.52%	▼

Chart 3: Sectoral Allocation of Quoted CPs

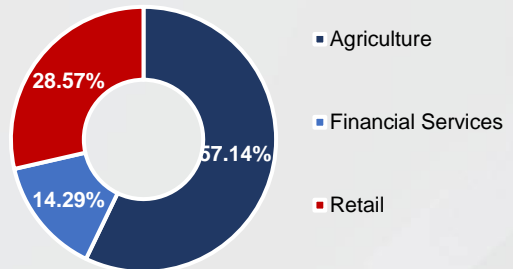


Chart 4: Average Tenor (Days) vs Discount Rates (%) for Quoted CPs

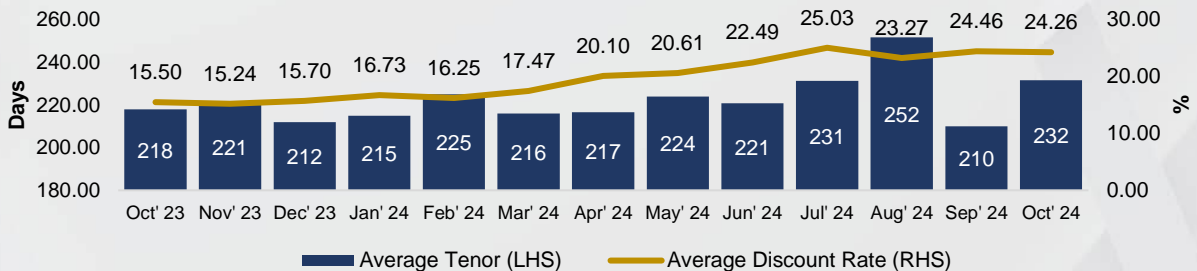


Table 4: Value of New Listings/Quotations (₦'bn)

Product	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr '24	May '24	Jun. '24	Jul. '24	Aug.'24	Sep.'24	Oct.'24
CPs	36.51	77.40	246.33	168.89	50.33	112.62	63.07	258.19	92.54	17.79	66.93	38.52	30.58
Corporate Bonds	23.00	26.00	0.00	5.50	0.00	0.00	0.00	1.15	0.00	0.00	62.40	0.00	0.00
Subnational Bonds	0.00	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	Oct. '23	Nov. '23	Dec. '23	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug.'24	Sep.'24	Oct.'24
CPs	948.56	806.35	821.25	887.96	790.75	864.11	791.35	925.68	978.52	893.28	635.85	622.78	565.28
Corporate Bonds ¹	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	1,824.07
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

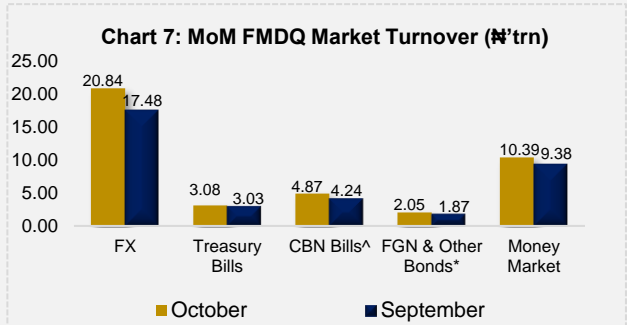
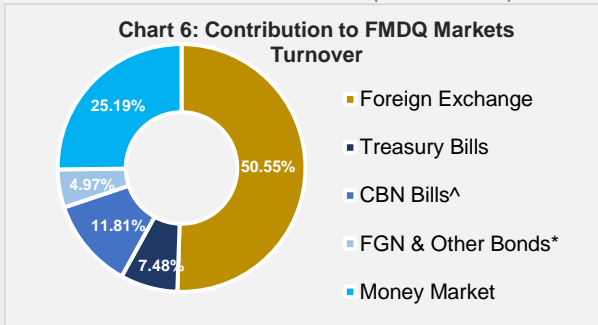
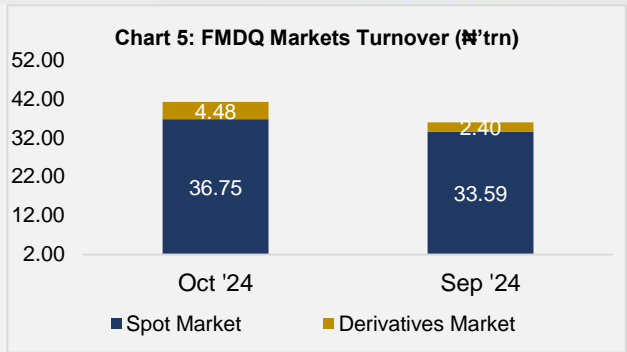
Note: *Non-Sovereign Bonds include LCY Corporate Bonds and LCY Subnational Bonds (includes LCY Sukuk)
 1 – Figures have been updated to reflect a previously unreported redemption

Secondary Market

Market Turnover by Products

Total secondary market turnover recorded on FMDQ Exchange in October 2024 was ₦41.23trn, representing a MoM increase of 14.54% (₦5.23trn) and a YoY increase of 90.05% (₦19.53trn) from September 2024 and October 2023 figures, respectively.

Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 75.74% of the total secondary market turnover in October 2024. (See Chart 6)



Spot Market

Total spot market turnover for all products traded in the secondary market in October 2024 was ₦36.75trn, representing a MoM increase of 9.40% (₦3.16trn) from September 2024 figures.

The MoM increase in total spot market turnover was driven by the increase across the FX, MM, and FI turnover by 8.49% (₦1.28trn), 10.76% (₦1.01trn), and 9.50% (₦0.87trn), respectively.

The increase in MM turnover was driven solely by the MoM increase in the Repos/Buy-backs product category. The increase in FI turnover was driven by the MoM increase across the T.bills, OMO Bills, and FGN Bonds product categories, whilst turnover in the Other Bonds category decreased, and CBN Special Bills remained inactive.

Spot Market Turnover and Percentage Contribution

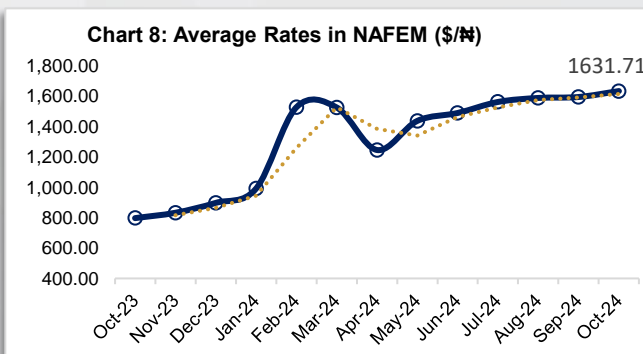
FX Market
 ₦16.36trn (\$10.08bn) ▶ 44.52%
 ₦15.08trn (Sep '24)

Fixed Income Market
 ₦10.00trn (\$6.16bn) ▶ 27.21%
 ₦9.13trn (Sep '24)

Money Market
 ₦10.39trn (\$6.40bn) ▶ 28.27%
 ₦9.38trn (Sep '24)

Spot FX Market

Spot FX market turnover was \$10.08bn (₦16.36trn) in October 2024, representing a 6.58% (\$0.62bn) MoM increase from the turnover recorded in September 2024 (\$9.46bn).



In the FX Market, the Naira depreciated against the US Dollar, with the spot exchange rate (\$/₦) increasing by 2.38% (\$/₦38.82) to close at an average of \$/₦1,631.71 in October 2024 from \$/₦1,592.89 recorded in September 2024. (See Chart 8)

Further, exchange rate volatility continued into October 2024 as the Naira traded within an exchange rate range of \$/₦1,552.92 – \$/₦1,675.49 compared to \$/₦1,539.65 – \$/₦1,666.42 recorded in September 2024.

Notes:

[^] Refers to OMO and CBN Special Bills

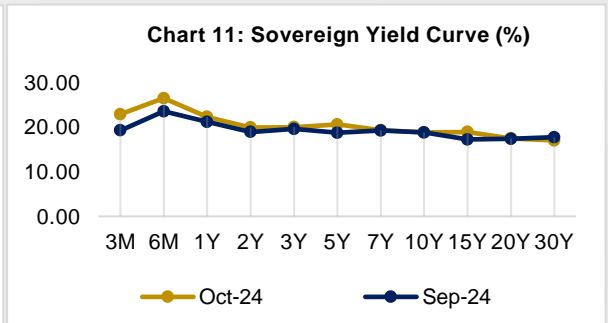
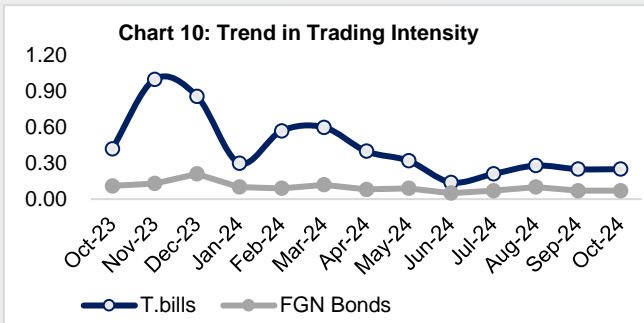
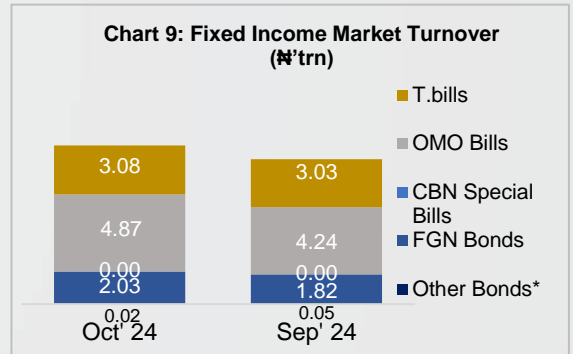
^{*} Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

Spot Fixed Income Market

FI market turnover in October 2024 was ₦10.00trn, representing a MoM increase of 9.50% (₦0.87trn) from the turnover recorded in September 2024 (₦9.13trn).

The MoM increase in turnover was driven by the increase in T.bills, OMO Bills, and FGN Bond transactions during the review period. (See Chart 9)

In October 2024, the trading intensity (TI) for T.bills and FGN Bonds remained unchanged. (See Chart 10)

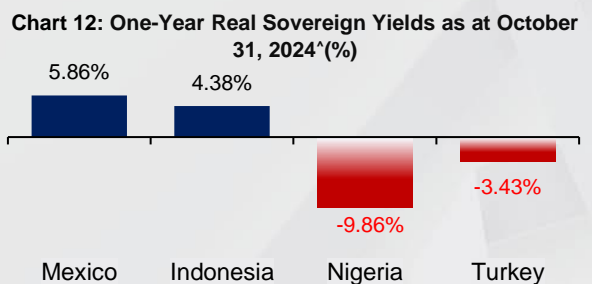


T.bills with term-to-maturity (TTM) between >6M – 12M and FGN Bonds with TTM between >5Y – 10Y were the most traded sovereign FI securities, accounting for 30.88% (₦1.58trn) and 24.65% (₦1.26trn) of the secondary market turnover for sovereign FI securities in the spot market, respectively. (See table 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	
0.23	1.28	1.58	0.23	0.29	1.26	0.07	0.01	0.17	5.11

The sovereign yield curve experienced a 3.64ppts MoM decrease in yield spread¹ to -4.09ppts in October 2024, depicting the steepening of the yield curve. (See Chart 11)

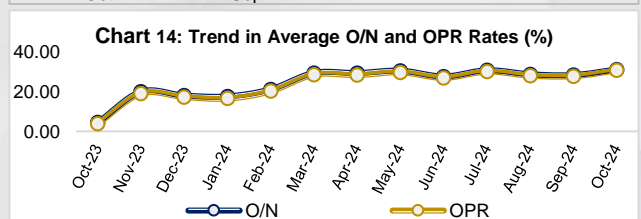
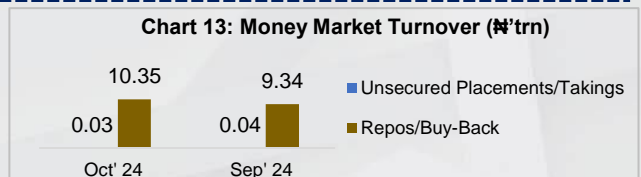
In October 2024, one (1)-year real (inflation-adjusted) yields in Nigeria remained negative (-9.86%) and recorded the lowest value compared to selected emerging markets. (See Chart 12)



Spot Market – (Money Market)

Total turnover in the MM segment increased MoM by 10.76% (₦1.01trn) to ₦10.39trn in October 2024. The MoM increase was driven by the 10.84% (₦1.01trn) increase in Repos/Buy-backs. (See Chart 13).

The average O/N rate and OPR rate (secured lending rate) increased MoM by 2.78ppts and 2.92ppts, respectively, to close at an average of 30.99% and 30.59% in October 2024. (See Chart 14).



Notes:

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

^{*} – Adjusted with October 2024 inflation rate for Nigeria

^{*} – Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

Derivatives Market

FX Derivatives Market

Total turnover in the FX derivatives segment in October 2024 was \$2.76bn (₦4.48trn), representing a MoM increase of 83.19% (\$1.25bn) from September 2024 figures (\$1.51bn).

The MoM increase in the FX derivatives turnover was driven by the 98.08% (\$1.28bn) increase in FX Swaps, offsetting the 15.63% (\$0.03bn) decline in FX Forwards transactions, whilst the FX Futures market remained inactive during the review period.

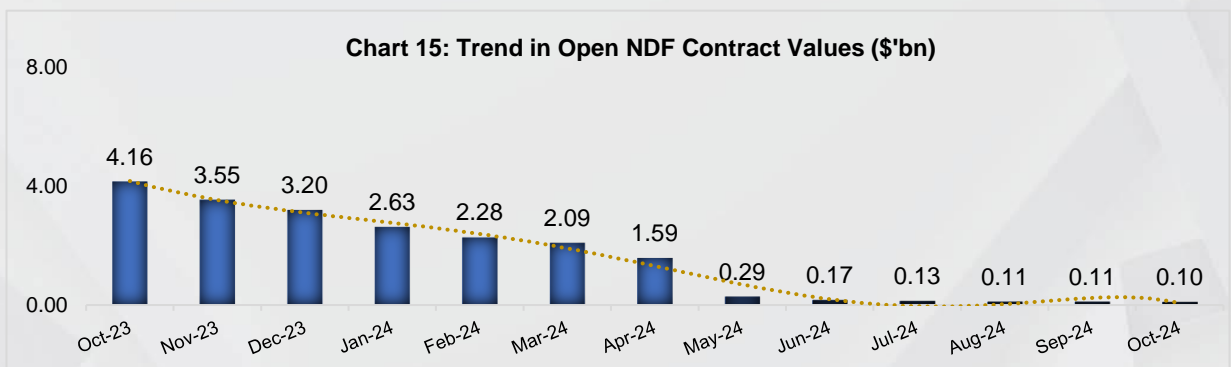
FX Swaps ¹	Contribution
\$2.59bn (₦4.21trn)	▶ 93.97%
FX Forwards	
\$0.17bn (₦0.28trn)	▶ 6.03%
FX Futures	
\$0.00bn (₦0.00trn)	▶ 0.00%

Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS OCT 30, 2024) expired and open positions with a total notional value (NV) of \$0.005bn were settled. No new far month (60M) contract² 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-six (46) 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 \$0.104bn as at October 31, 2024, representing a MoM and YoY decrease of 4.59% (\$0.005bn) and 97.50% (\$4.06bn). (See Chart 15)

Matured Contract NGUS OCT 30, 2024 (\$/₦927.51*)	▲
New 60M Contract Not Applicable (N/A) (\$/₦0.00)	
NV of Open Positions in NDF Contracts – \$0.10bn	▼



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

Notes:

* – Refers to the last published rate for **NGUS OCT 30 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..1/2

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

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

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

	37-42M	43-48M	49-54M	55-60M
Oct-24	3,459.20	3,889.89	4,370.99	4,906.71
Sep-24	3,319.97	3,717.35	4,159.28	4,649.23
Change	139.23 ↑	172.55 ↑	211.71 ↑	257.48 ↑

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

	1M	2M	3M	6M	12M
Oct-24	1,701.63	1,740.12	1,778.05	1,884.66	2,094.09
Sep-24	1,679.50	1,715.56	1,750.69	1,857.19	2,073.76
Change	22.13 ↑	24.56 ↑	27.36 ↑	27.47 ↑	20.33 ↑

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).

* - 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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