



FINANCIAL MARKETS MONTHLY REPORT

December 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 ₦1,617.07bn across its auctions in December 2024, representing a 133.33% (₦924.02bn) MoM increase in the value of T-bills sold across its auctions in November 2024 (₦693.05bn).

The DMO sold FGN Bonds worth ₦211.14bn in December 2024. This represents a 39.00% (₦135.01bn) MoM decrease on the amount sold in November 2024 (₦346.16bn)

Sovereign securities offered¹ by the DMO in its T.bills and FGN Bond auctions were oversubscribed by 245.60% and 132.35% respectively, during the review period.

In December 2024, the CBN sold OMO Bills worth ₦2,832.88bn, representing a 212.95% (₦1,927.65bn) increase on the amount sold in November 2024 (₦905.23bn).

Average T.bills Discount Rates in Dec. 2024

90-day – 18.00%
18.00% (Nov. '24) ↔

182-day – 18.50%
18.50% (Nov. '24) ↔

364-day – 22.88%
23.50% (Nov. '24) ▼

Average FGN Bond Coupon Rates in Dec. 2024

5Y – 21.14%
21.00% (Nov. '24) ▲

7Y – 22.00%
22.00% (Nov. '24) ↔

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

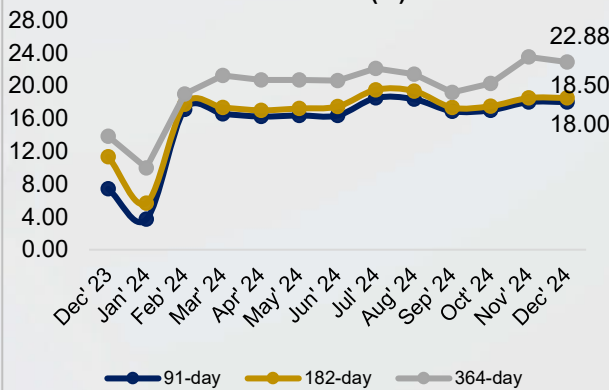


Chart 2: Trend in Average OMO Bills Discount Rate (%)[^]

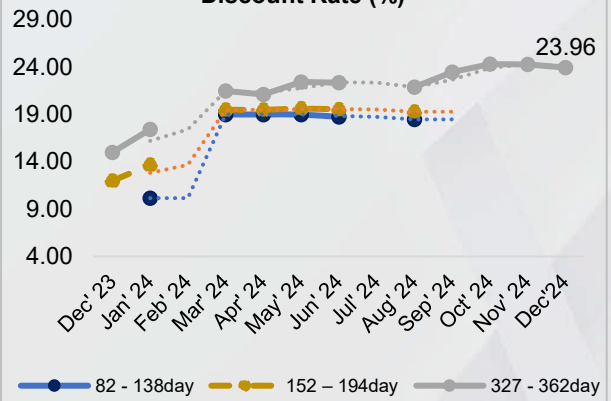


Table 1: Value of New Issuances (₦'bn)

| Product | Dec. '23 | Jan. '24 | Feb. '24 | Mar. '24 | Apr. '24 | May '24 | Jun. '24 | Jul. '24 | Aug. '24 | Sep. '24 | Oct. '24 | Nov. '24 | Dec. '24 |
|------------------|----------|----------|----------|----------|----------|---------|----------|----------|----------|----------|----------|----------|----------|
| T.bills | 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 | 693.05 | 1,284.36 |
| FGN Bonds | 273.63 | 418.20 | 1,494.91 | 608.86 | 626.81 | 682.07 | 297.01 | 225.71 | 374.75 | 264.53 | 289.60 | 346.16 | 211.14 |

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

| Product | Dec. '23 | Jan. '24 | Feb. '24 | Mar. '24 | Apr '24 | May '24 | Jun. '24 | Jul. '24 | Aug. '24 | Sep. '24 | Oct. '24 | Nov '24 | Dec. '24 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| T.bills | 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 | 12,373.30 | 12,798.87 |
| FGN* Bonds | 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 | 27,391.44 | 27,952.06 |

Notes:

¹ – Amount Offered in December 2024 was ₦1,191.50bn and ₦120.00bn 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

A Corporate Bond worth ₦5.82bn was listed on FMDQ Exchange in December 2024, as such the value of Non-Sovereign Bonds outstanding increased to ₦2,246.14bn.

The total value of CPs quoted on FMDQ Exchange in December 2024 was ₦174.56bn, representing a MoM increase of 125.23% (₦97.06bn) in the value of CPs quoted in November 2024 (₦30.58bn). In December 2024, quoted CPs were mainly issued by institutions from the Telecommunications (4), Financial Services (4), and Agriculture (4) sectors. (See Chart 3)

The outstanding value of CPs declined by 3.19% (₦16.74bn) MoM, settling at ₦508.83bn in December 2024. This decrease was primarily driven by the maturity of ₦191.30bn worth of CPs during the review period. (See Table 5)

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

| Type | Tenor | Dec. 24 | Nov. 24 | Trend |
|------|-------------|---------|---------|-------|
| CPs | 91D – 180D | 24.20% | 24.71% | ▼ |
| | 181D – 270D | 24.94% | 24.84% | ▲ |

Chart 3: Sectoral Allocation of Quoted CPs

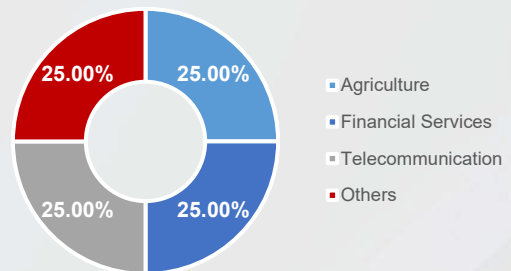


Chart 4: Average Tenor (Days) vs Discount Rates (%) for Quoted CPs

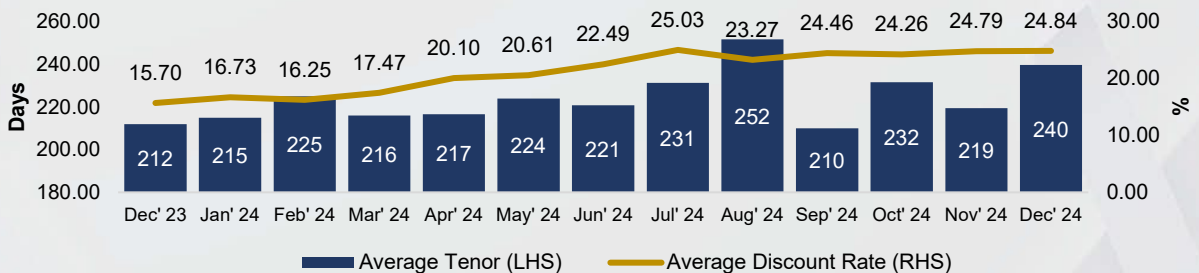


Table 4: Value of New Listings/Quotations (₦'bn)

| Product | Dec. '23 | Jan. '24 | Feb. '24 | Mar. '24 | Apr. '24 | May '24 | Jun. '24 | Jul. '24 | Aug.'24 | Sep.'24 | Oct.'24 | Nov. '24 | Dec. '24 |
|-------------------|----------|----------|----------|----------|----------|---------|----------|----------|---------|---------|---------|----------|----------|
| CPs | 246.33 | 168.89 | 50.33 | 112.62 | 63.07 | 258.19 | 92.54 | 17.79 | 66.93 | 38.52 | 30.58 | 77.50 | 174.56 |
| Corporate Bonds | 0.00 | 5.50 | 0.00 | 0.00 | 0.00 | 1.15 | 0.00 | 0.00 | 62.40 | 0.00 | 0.00 | 0.00 | 5.82 |
| 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 | Dec. '23 | Jan. '24 | Feb. '24 | Mar. '24 | Apr. '24 | May '24 | Jun. '24 | Jul. '24 | Aug.'24 | Sep.'24 | Oct.'24 | Nov. '24 | Dec. '24 |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| CPs | 821.25 | 887.96 | 790.75 | 864.11 | 791.35 | 925.68 | 978.52 | 893.28 | 635.85 | 622.78 | 565.28 | 525.57 | 508.83 |
| Corporate Bonds | 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 | 1,824.07 | 1,829.89 |
| 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 |

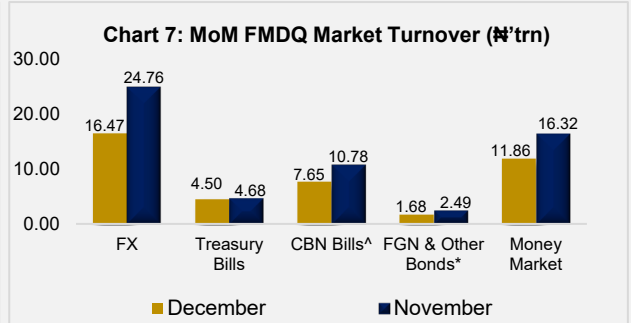
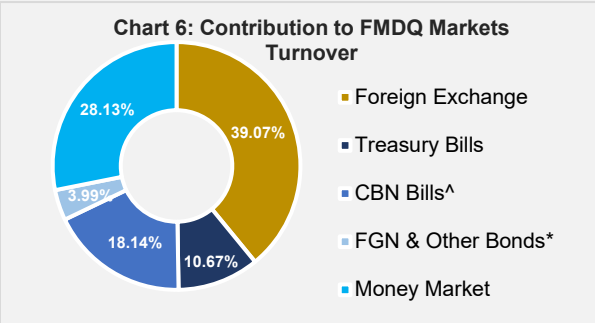
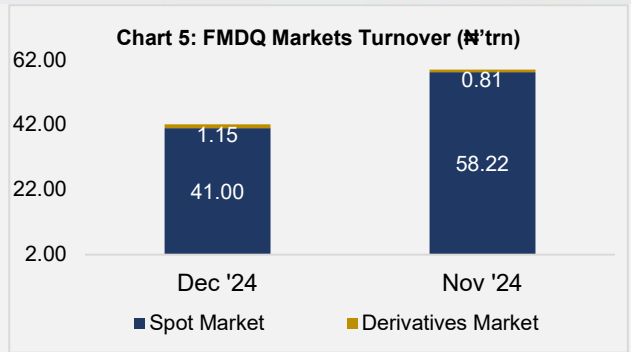
Note: *Non-Sovereign Bonds include LCY Corporate Bonds and LCY Subnational Bonds (includes LCY Sukuk)

Secondary Market

Market Turnover by Products

Total secondary market turnover recorded on FMDQ Exchange in December 2024 was ₦42.15trn, representing a MoM decrease of 28.59% (16.88trn) and a YoY increase of 17.73% (₦6.35trn) from November 2024 and December 2023 figures, respectively.

Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 67.20% of the total secondary market turnover in December 2024. (See Chart 6)



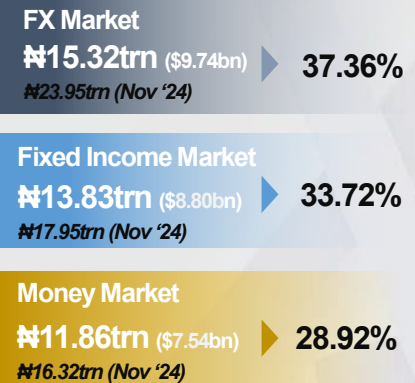
Spot Market

Total spot market turnover for all products traded in the secondary market in December 2024 was ₦41.00trn, representing a MoM decrease of 29.58% (₦17.22trn) from November 2024 figures.

The MoM decrease in total spot market turnover was driven by the decrease across the FX, FI, and MM turnover by 36.06% (₦8.64trn), 22.98% (₦4.12trn) and 27.34% (₦4.46trn) respectively.

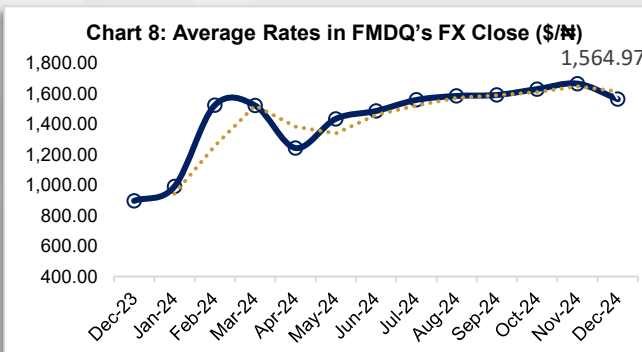
The decrease in MM turnover was driven solely by the MoM increase in the Repos/Buy-backs product category. The decrease in FI turnover was driven by the MoM decrease across the T.bills, OMO Bills, Other Bonds, and FXN Bonds product categories, whilst CBN Special Bills remained inactive.

Spot Market Turnover and Percentage Contribution



Spot FX Market

Spot FX market turnover was \$9.74bn (₦15.32trn) in December 2024, representing a 32.28% (\$4.64bn) MoM decrease from the turnover recorded in November 2024 (\$14.39bn).



In the FX Market, the Naira appreciated against the US Dollar, with the spot exchange rate (\$/₦) decreasing by 6.55% (\$/₦102.44) to close at an average of \$/₦1,564.97 in December 2024 from \$/₦1,667.41 recorded in November 2024. (See Chart 8)

Further, exchange rate volatility increased in December 2024, with the Naira trading within an exchange rate range of \$/₦1,524.88 – \$/₦1,672.69 compared to \$/₦1,639.50 – \$/₦1,690.37 recorded in November 2024.

Notes:

[^] Refers to OMO and CBN Special Bills

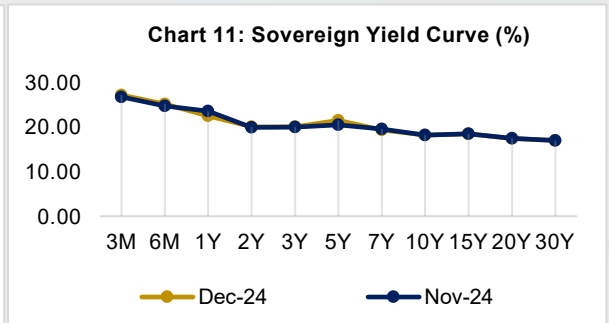
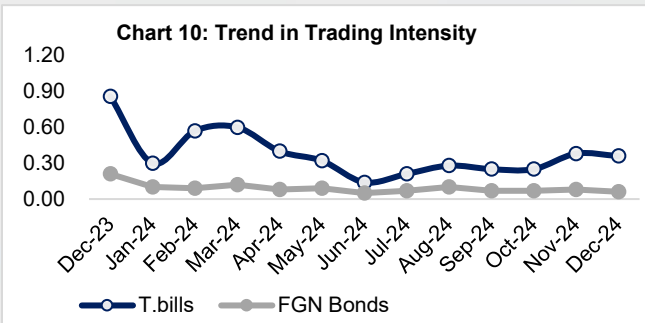
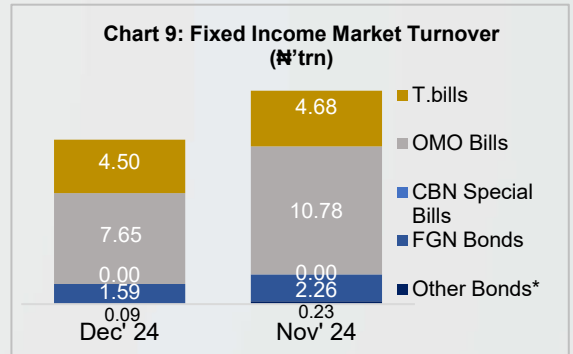
^{*} Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

Spot Fixed Income Market

FI market turnover in December 2024 was ₦13.83trn, representing a MoM decrease of 22.98% (₦4.12trn) from the turnover recorded in November 2024 (₦17.95trn).

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

In December 2024, the trading intensity (TI) for T.bills and FGN Bonds decreased MoM by 0.02bps each to 0.36 and 0.06, respectively (See Chart 10)

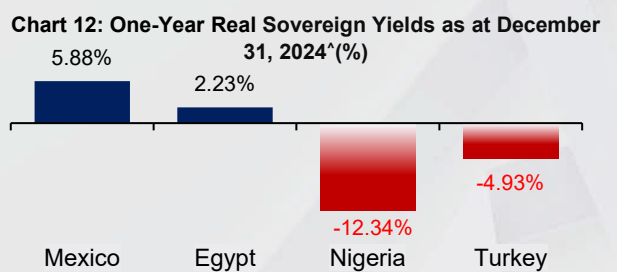


T.bills with term-to-maturity (TTM) between >6M – 12M and FGN Bonds with TTM between >5Y – 10Y were the most traded sovereign FI securities, accounting for 49.75% (₦3.03trn) and 14.78% (₦0.90trn) of the secondary market turnover for sovereign FI securities in the spot market, respectively. (See table 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 | |
| 0.51 | 0.95 | 3.03 | 0.18 | 0.18 | 0.90 | 0.15 | 0.01 | 0.18 | 6.09 |

The sovereign yield curve experienced a 0.38ppts MoM decrease in yield spread¹ to -8.96ppts in December 2024, depicting a bearish flattening of the yield curve. (See Chart 11)

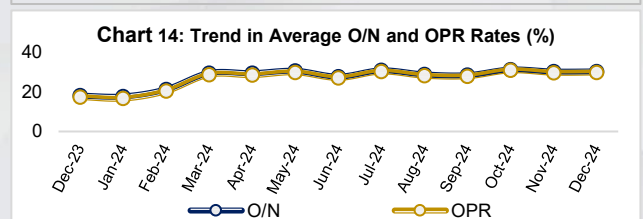
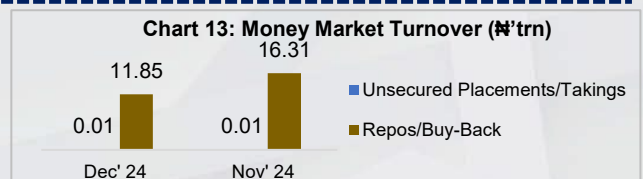
In December 2024, one (1)-year real (inflation-adjusted) yields in Nigeria and Turkey remained negative at (-12.38%) and (-4.93%), respectively compared to selected emerging markets. (See Chart 12)



Spot Market – (Money Market)

Total turnover in the MM segment decreased MoM by 27.34% (₦4.46trn) to ₦11.86trn in December 2024. The MoM decrease was driven by the 27.33% (₦4.46trn) decrease in Repos/Buy-backs. (See Chart 13).

The average O/N rate and OPR rate (secured lending rate) increased MoM by 0.04ppts and 0.07ppts, respectively, to close at an average of 30.06% and 29.50% in December 2024. (See Chart 14).



Notes:

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

[^] – Adjusted with December 2024 inflation rates

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

Derivatives Market

FX Derivatives Market

Total turnover in the FX derivatives segment in December 2024 was \$0.73bn (₦1.15trn), representing a MoM increase of 51.31% (\$0.25bn) from November 2024 figures (\$0.49bn).

The MoM increase in the FX derivatives turnover was driven by the 73.32% (\$0.28bn) increase in FX Swaps, offsetting the 23.99% (\$0.03bn) decline in FX Forwards transactions during the review period.

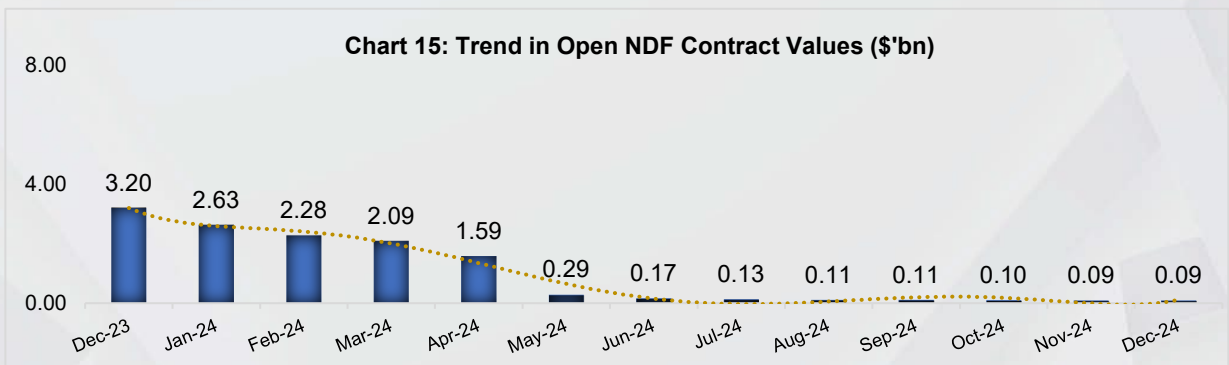
| FX Swaps ¹ | Contribution |
|-----------------------|--------------|
| \$0.65bn (₦1.02trn) | ▶ 88.64% |
| FX Forwards | |
| \$0.08bn (₦0.13trn) | ▶ 11.36% |

Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS DEC 24, 2024) expired and open positions with a total notional value (NV) of \$0.001bn 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 thirteen (13) months (i.e., NGUS JAN 28, 2026 contract).

As a result, the cumulative NV of open Cleared Naira-Settled Non-Deliverable Forwards contracts decreased slightly to \$0.09bn as at December 31, 2024, representing a MoM and YoY decrease of 0.56% (\$0.001bn) and 97.25% (\$3.11bn), respectively. (See Chart 15)

| | |
|---|---|
| Matured Contract NGUS DEC 24, 2024 (\$/₦949.70*) | ▲ |
| New 60M Contract Not Applicable (N/A) (\$/₦0.00) | |
| NV of Open Positions in NDF Contracts – \$0.09bn | ▼ |



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..12

The average modelled rates for the 13M-33M Naira-Settled Exchange-Traded FX Futures contracts in December 2024 were lower than those for November 2024 across all tenors. (See Table 7)

Similarly, the indicative rates for short-term (i.e., ≤12M) Non-Deliverable FX Forwards contracts in December 2024 also appreciated across all tenors (See Table 8)

Table 7: Average Modelled Rates (\$/₦)¹ of Naira-Settled Exchange-Traded FX Futures

| | 13-15M | 16-18M | 19-21M | 22-24M | 25-27M | 28-30M | 31-33M |
|--------|----------|----------|----------|----------|----------|----------|----------|
| Dec-24 | 1,621.17 | 1,727.00 | 1,830.58 | 1,934.54 | 2,101.58 | 2,506.29 | 3,000.37 |
| Nov-24 | 1,736.80 | 1,849.75 | 1,959.75 | 2,067.31 | 2,217.86 | 2,567.58 | 3,069.07 |
| Change | 115.63 ↓ | 122.75 ↓ | 129.17 ↓ | 132.77 ↓ | 116.28 ↓ | 61.29 ↓ | 68.70 ↓ |

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

| | 1M | 2M | 3M | 6M | 12M |
|--------|----------|----------|----------|----------|----------|
| Dec-24 | 1,579.29 | 1,609.76 | 1,638.20 | 1,726.22 | 1,903.53 |
| Nov-24 | 1,703.48 | 1,740.59 | 1,776.14 | 1,888.22 | 2,104.86 |
| Change | 124.19 ↓ | 130.83 ↓ | 137.94 ↓ | 162.00 ↓ | 201.33 ↓ |

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