



# FINANCIAL MARKETS MONTHLY REPORT

January 2025

## 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>Review Period</b>	January 2025
<b>CP</b>	Commercial Paper	<b>Repo</b>	Repurchase Agreement
<b>D</b>	Day	<b>RHS</b>	Right Hand Side
<b>DMO</b>	Debt Management Office	<b>T.bills</b>	Treasury Bills
<b>FGN</b>	Federal Government of Nigeria	<b>trn</b>	Trillion
<b>FX</b>	Foreign Exchange	<b>US</b>	The United States of America
<b>LCY</b>	Local Currency	<b>Y</b>	Year
<b>LHS</b>	Left Hand Side	<b>YoY</b>	Year-on-Year
<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 ₦1,271.01bn across its auctions in January 2025, representing a 21.40% (₦346.06bn) MoM decrease in the value of T-bills sold across its auctions in December 2024 (₦1,617.07bn).

The DMO sold FGN Bonds worth ₦601.04bn in January 2025. This represents a 184.66% (₦389.89bn) MoM increase on the amount sold in December 2024 (₦211.14bn).

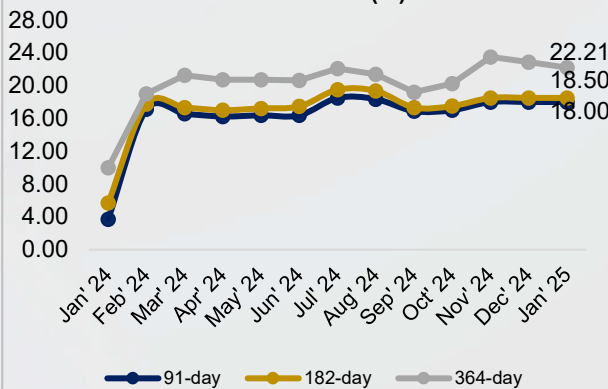
During the review period, the sovereign securities offered<sup>1</sup> by the DMO in its T.bills and FGN Bond auctions were oversubscribed by 288.06% and 48.88%.

In January 2025, the CBN sold OMO Bills worth ₦1,500.00bn, representing a 47.05% (₦1,332.88bn) decrease on the amount sold in December 2024 (₦2,832.88bn). These securities were oversubscribed by 304.93%.

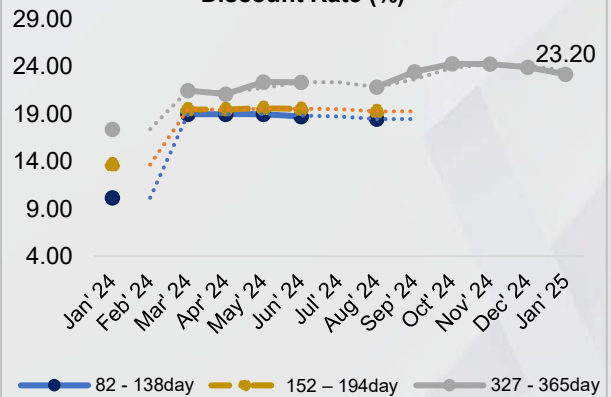
**Table 1: Average Rates for New Sovereign Security Issuances**

Type	Tenor	Jan. 25	Dec. 24	Trend
T.bills	91D	18.00%	18.00%	↔
	182D	18.50%	18.50%	↔
	364D	22.21%	22.88%	▼
FGN Bonds	5Y	21.79%	21.14%	▲
	7Y	22.50%	22.00%	▲
	10Y	22.60%	-	N/A
OMO Bills	327D-365D	23.20%	23.96%	▼

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



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



**Table 2: Value of New Issuances (₦'bn)**

Product	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24	Oct. '24	Nov. '24	Dec. '24	Jan. '25
T.bills	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	1,617.07	1,271.01
FGN Bonds	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	601.04

**Table 3: Value of Outstanding Securities (₦'bn)**

Product	Jan. '24	Feb. '24	Mar. '24	Apr '24	May '24	Jun. '24	Jul. '24	Aug. '24	Sep. '24	Oct. '24	Nov '24	Dec. '24	Jan. '25
T.bills	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	13,758.40
FGN* Bonds	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	28,563.41

**Notes:**

<sup>1</sup> – Amount Offered in January 2025 was ₦1,045.00bn 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

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

## Primary Market

### Non-Sovereign Securities

In January 2025, there were no new listings or redemptions of Non-Sovereign Bonds on FMDQ Exchange, leaving the total value of Non-Sovereign Bonds outstanding at ₦2,246.14bn.

Meanwhile, the total value of CPs quoted on FMDQ Exchange was ₦160.79bn, representing a MoM decline of 7.89% (₦13.77bn) from the December 2024 value (₦174.56bn). During the period, nineteen (19) CPs were quoted in January 2025, with the majority issued by institutions in the Financial Services (6), Manufacturing (5), and Agriculture (4) sectors. (See Chart 3)

Despite CP maturities totaling ₦71.73bn in January 2025, the outstanding value of CPs increased by 17.50% (₦89.06bn) MoM to ₦597.89bn. (See Table 6)

Type	Tenor	Jan. 25	Dec. 24	Trend
CPs	91D – 180D	25.26%	24.20%	▲
	181D – 270D	24.75%	24.94%	▼

Chart 3: Sectoral Allocation of Quoted CPs

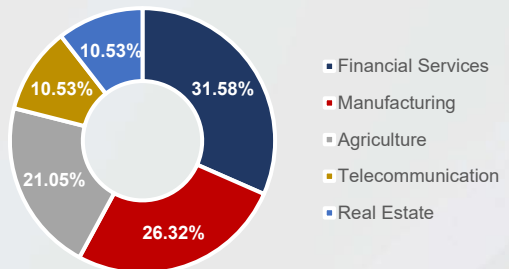


Chart 4: Average Tenor (Days) vs Discount Rates (%) for Quoted CPs

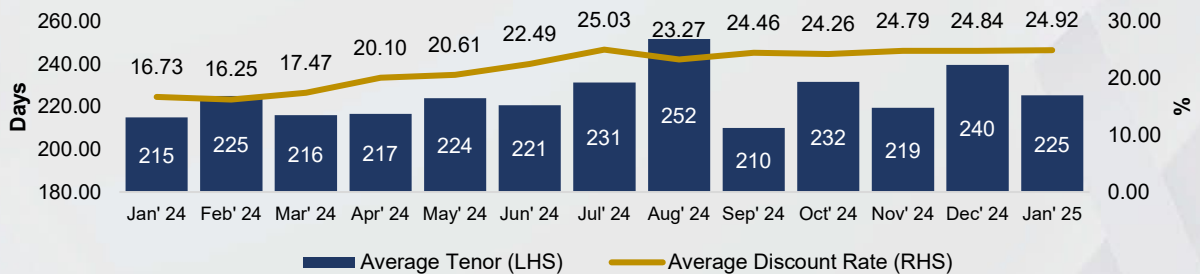


Table 5: Value of New Listings/Quotations (₦'bn)

Product	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug.'24	Sep.'24	Oct.'24	Nov. '24	Dec. '24	Jan. '25
CPs	168.89	50.33	112.62	63.07	258.19	92.54	17.79	66.93	38.52	30.58	77.50	174.56	160.79
Corporate Bonds	5.50	0.00	0.00	0.00	1.15	0.00	0.00	62.40	0.00	0.00	0.00	5.82	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 6: Outstanding Value of Admitted Securities (₦'bn)

Product	Jan. '24	Feb. '24	Mar. '24	Apr. '24	May '24	Jun. '24	Jul. '24	Aug.'24	Sep.'24	Oct.'24	Nov. '24	Dec. '24	Jan. '25
CPs	887.96	790.75	864.11	791.35	925.68	978.52	893.28	635.85	622.78	565.28	525.57	508.83	597.89
Corporate Bonds	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	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

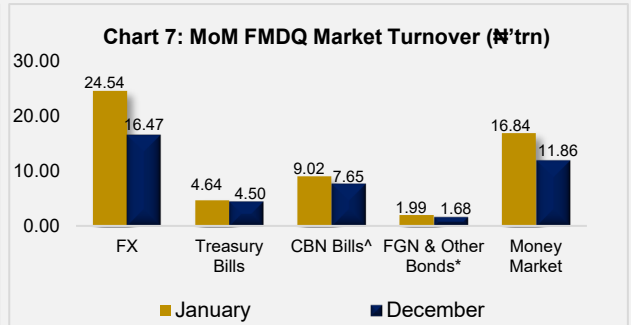
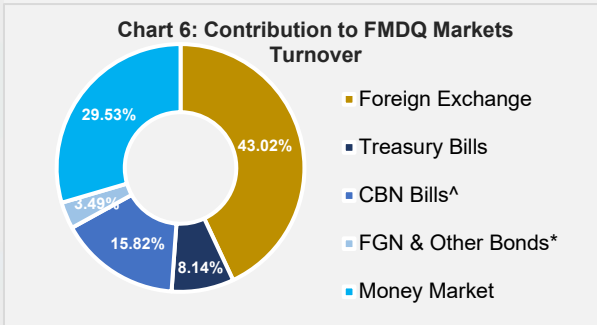
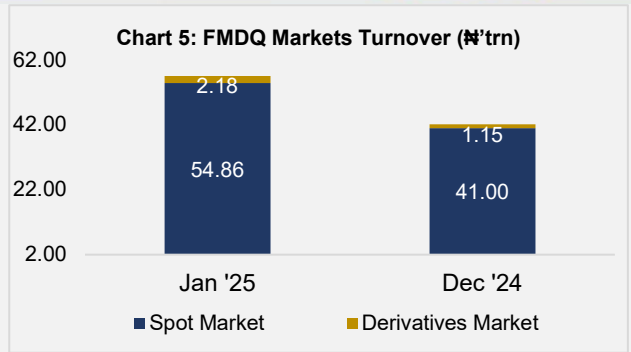
Note: \*Non-Sovereign Bonds include LCY Corporate Bonds and LCY Subnational Bonds (includes LCY Sukuk)

## Secondary Market

### Market Turnover by Products

Total secondary market turnover recorded on FMDQ Exchange in January 2025 was ₦57.04trn, representing a MoM and YoY increase of 35.31% (₦14.88trn) and 170.69% (₦35.97trn) from December 2024 and January 2024 figures, respectively.

Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 72.55% of the total secondary market turnover in January 2025. (See Chart 6)



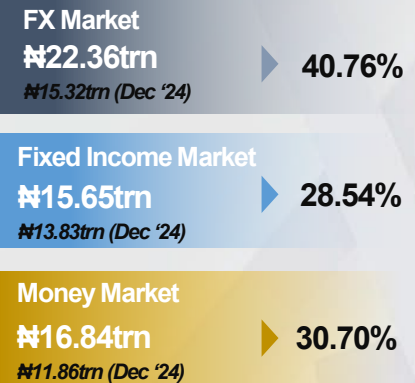
## Spot Market

Total spot market turnover for all products traded in the secondary market recorded on FMDQ Exchange in January 2025 was ₦54.86trn, representing a MoM increase of 33.80% (₦13.86trn) from December 2024 figures.

The MoM increase in total spot market turnover was driven by the increase in FX, FI, and MM turnover by 45.98% (₦7.04trn), 13.23% (₦1.83trn) and 42.03% (₦4.98trn) respectively.

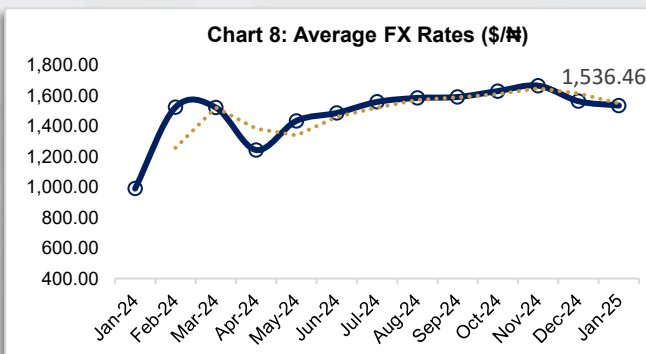
The increase in MM turnover was solely driven by the MoM increase in the Repos/Buy-backs product category. The increase in FI turnover was driven by the MoM increase across all product categories, with the exception of Other Bonds, which experienced a decline, while CBN Special Bills remained inactive during the review period.

### Spot Market Turnover and Percentage Contribution



## Spot FX Market

Spot FX market turnover recorded on FMDQ was \$14.56bn (₦22.36trn) in January 2025, representing a 49.43% (\$4.82bn) MoM increase from the turnover recorded in December 2024 (\$9.74bn).



In the FX Market, the Naira appreciated against the US Dollar, with the spot exchange rate (\$/₦) decreasing by 1.86% (\$/₦28.52) to close at an average of \$/₦1,536.46 recorded in January 2025 from \$/₦1,564.97 recorded in December 2024. (See Chart 8)

Further, exchange rate volatility decreased in January 2025, with the Naira trading within an exchange rate range of \$/₦1,475.00 – \$/₦1,560.00 compared to \$/₦1,524.88 – \$/₦1,672.69 recorded in December 2024.

**Notes:**

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

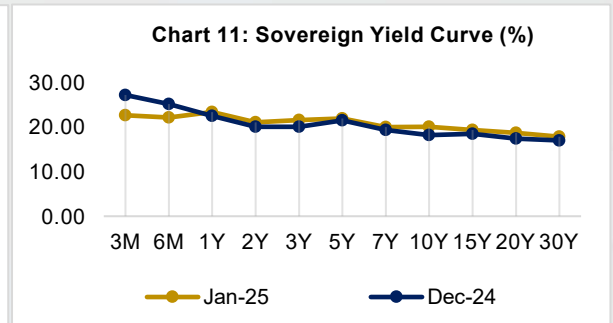
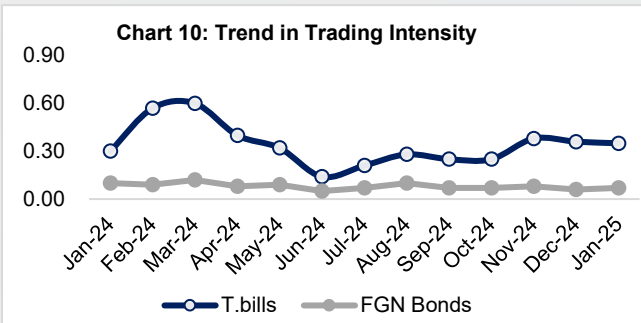
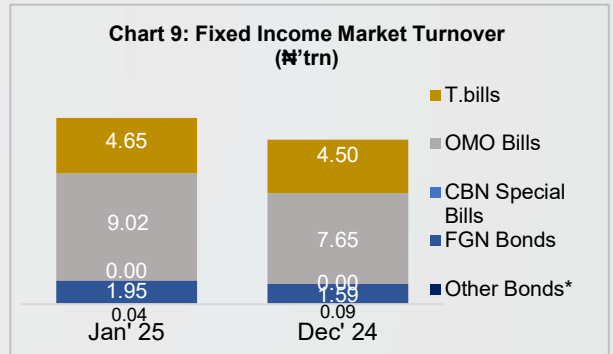
<sup>\*</sup> Other Bonds include Agency, Sub-national, Corporate, Supranational Bonds & Promissory Notes

### Spot Fixed Income Market

FI market turnover in January 2025 was ₦15.65trn, representing a MoM increase of 13.23% (₦1.83trn) from the turnover recorded in December 2024 (₦13.83trn).

The MoM increase in turnover was driven by the increase in T.bills, CBN Bills, OMO Bills, and FGN Bonds transactions during the review period, while Other Bonds decreased by 57.46% (₦0.05trn). (See Chart 9)

In January 2025, the trading intensity (TI) for T.bills decreased MoM by 0.01bps to 0.35 whilst the TI for FGN Bonds increased by 0.01bps to 0.07 (See Chart 10)

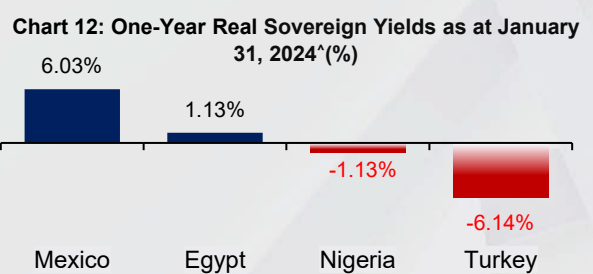


T.bills with term-to-maturity (TTM) between >6M – 12M and FGN Bonds with TTM between >5Y – 10Y were the most traded sovereign FI securities, accounting for 49.40% (₦3.26trn) and 15.81% (₦1.04trn) of the secondary market turnover for sovereign FI securities in the spot market, respectively. (See table 7 below)

T.bills		FGN Bonds							Total
Up to 3M	>3M - 6M	>6M - 12M	>12M - 3Y	>3Y - 5Y	>5Y - 10Y	>10Y - 15Y	>15Y - 20Y	>20Y	
1.16	0.23	3.26	0.14	0.16	1.04	0.35	0.04	0.22	<b>6.60</b>

The sovereign yield curve experienced a 6.33ppts MoM increase in yield spread<sup>1</sup> to -2.63ppts in January 2025, depicting a flattening of the yield curve. (See Chart 11)

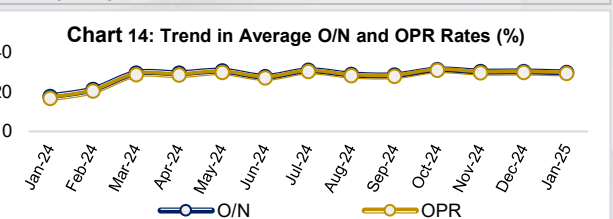
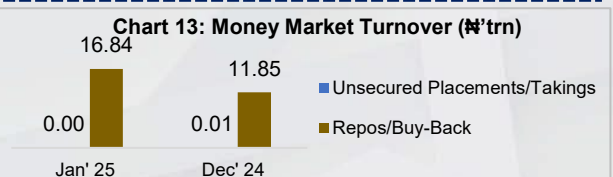
In January 2025, one (1)-year real (inflation-adjusted) yields in Nigeria and Turkey remained negative at (1.13 %) and (6.14%), respectively, compared to selected emerging markets. (See Chart 12)



### Spot Market – (Money Market)

Total turnover in the MM segment increased MoM by 42.03% (₦4.98trn) to ₦16.84trn in January 2025. The MoM increase was driven by the 42.09% (₦4.99trn) increase in Repos/Buy-backs. (See Chart 13).

The average O/N rate and OPR rate (secured lending rate) decreased MoM by 0.48ppts and 0.49ppts, respectively, to close at an average of 29.58% and 29.02% in January 2025. (See Chart 14).



**Notes:**

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

<sup>^</sup> – Adjusted with the most recent inflation figures

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

## Derivatives Market

### FX Derivatives Market

Total turnover in the FX derivatives segment in January 2025 was \$1.42bn (₦2.18trn), representing a MoM increase of 93.57% (\$0.69bn) from December 2024 figures (\$0.73bn).

The MoM increase in the FX derivatives turnover was driven by the 104.65% (\$0.68bn) and 7.08% (\$0.01bn) increase in FX Swaps and FX Forwards transactions during the review period.

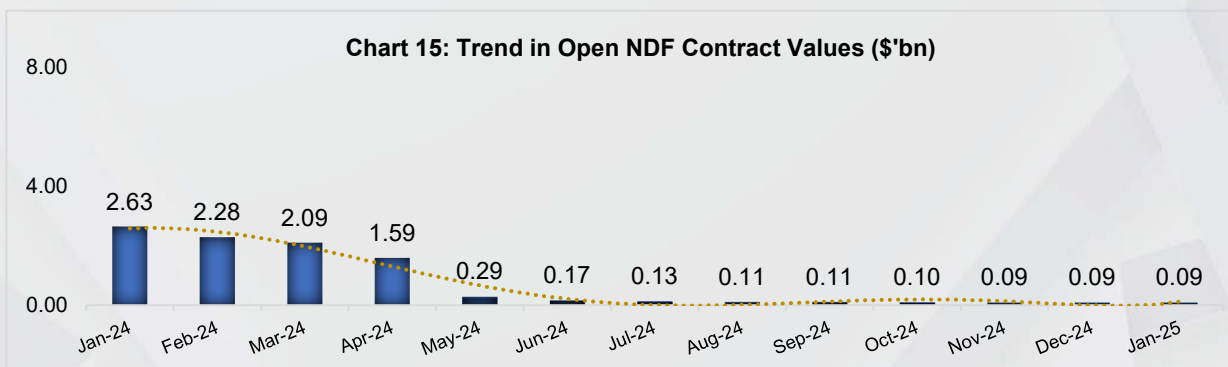
FX Swaps <sup>1</sup>	Contribution
\$1.33bn (₦2.04trn)	▶ 93.72%
FX Forwards	
\$0.09bn (₦0.14trn)	▶ 6.28%

### Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS JAN 29, 2025) expired with no open positions settled during the period. 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 twelve (12 months (i.e., NGUS JAN 28, 2026 contract).

As a result, the cumulative NV of open Cleared Naira-Settled Non-Deliverable Forwards contracts remained flat at \$0.09bn as at January 31, 2024, representing a YoY decrease of 96.65% (\$2.54bn), respectively. (See Chart 15)

<b>Matured Contract</b> NGUS JAN 29, 2025 (\$/₦960.80)	▲
<b>New 60M Contract</b> 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:**

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 rates for the 13M-33M Naira-Settled Exchange-Traded FX Futures contracts in January 2025 were lower than those for December 2024 across all tenors. (See Table 8)

The indicative rates for short-term (i.e., ≤12M) Non-Deliverable FX Forwards contracts in January 2025 appreciated across all tenors, excluding the 12M tenor which increased (i.e., depreciated) (See Table 9)

**Table 8: Average Modelled Rates (\$/₦)<sup>1</sup> of Naira-Settled Exchange-Traded FX Futures**

	13-15M	16-18M	19-21M	22-24M	25-27M	28-30M	31-33M
Jan-25	1,561.94	1,664.37	1,764.62	1,865.25	2,014.60	2,368.06	2,831.62
Dec-24	1,621.17	1,727.00	1,830.58	1,934.54	2,101.58	2,506.29	3,000.37
Change	59.23 ↓	62.63 ↓	65.96 ↓	69.29 ↓	86.98 ↓	138.23 ↓	168.75 ↓

**Table 9: Indicative Rates (\$/₦) of Non-Deliverable Forwards**

	1M	2M	3M	6M	12M
Jan-25	1,533.09	1,567.93	1,605.02	1,705.97	1,912.21
Dec-24	1,579.29	1,609.76	1,638.20	1,726.22	1,903.53
Change	46.20 ↓	41.83 ↓	33.18 ↓	20.25 ↓	8.68 ↑



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