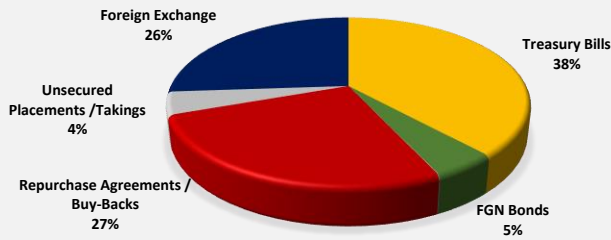


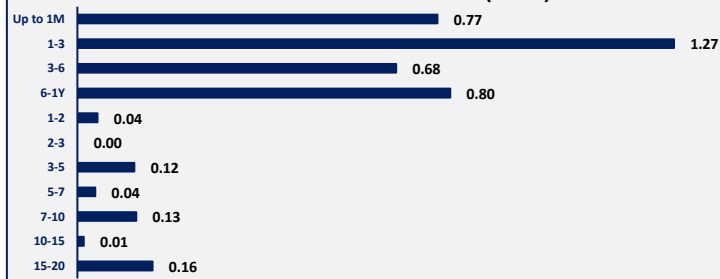
OTC MARKET TURNOVER



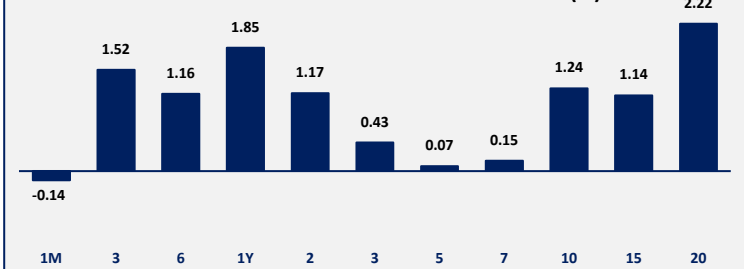
FX TURNOVER (\$'bn)

Month	Member-Member				Member-Client				Total Turnover
	FX Spot	FX Swaps	Others*	Total	FX Spot	FX Swaps	Others*	Total	
June	0.76	0.09	0.05	0.90	4.78	1.26	0.57	6.62	7.51
May	0.54	0.07	0.00	0.62	2.02	1.29	0.16	3.47	4.09
Change (\$)	0.21	0.02	0.05	0.28	2.76	(0.03)	0.41	3.14	3.43
Change (%)	39.73	26.05	0.00	46.06	136.74	(2.23)	253.90	90.50	83.82

FIXED INCOME TURNOVER (₦*trn)



BENCHMARK SECURITIES' YIELD CHANGE (%)



MONEY MARKET TURNOVER (₦'bn)

	June	May	Change	Change (%)
Repurchase Agreements / Buy-Backs	2,484.99	2,314.28	170.71	7.38
Unsecured Placements / Takings	403.84	179.03	224.80	125.57
Total	2,888.82	2,493.31	395.51	15.86

MARKET ACTIVITY - EXECUTED TRADES (COUNT)

	June			May		
	AFO ⁷	RFQ ⁸	Total	AFO	RFQ	Total
T.bills	2,313	9,457	11,770	3,492	7,063	10,555
FGN bonds	1,175	942	2,117	1,869	1,240	3,109
Total	3,488	10,399	13,887	5,361	8,303	13,664

Source: FMDQ OTC Securities Exchange

Notes:

* "Others" include FX Forwards, Options & Cross Currency Interest Rate Swaps

1 – Year-on-Year; 2 – Federal Government of Nigeria; 3 – Central Bank of Nigeria; 4 – Value exclusive of Member – CBN trades; 5 – Open-Buy-Back; 6 – Overnight Rate; 7 – Anonymous Firm Order; 8 – Request-for-Quote

DISCLAIMER: This report is produced by the Market Development Group of FMDQ OTC Securities Exchange (FMDQ) for information purposes only. FMDQ is NOT an investment advisor, and does not endorse or recommend any securities or other investments. Market data and other information in this report, as well as reference materials and/or links to other sites, have been compiled from publicly available sources believed to be reliable and are for general informational purposes only. This report does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction to likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration contained therein. All rates and figures appearing are for illustrative purposes only. To the extent that the research data emanate from public sources, the accuracy or completeness of the information contained herein is not guaranteed and is not intended to be relied upon for investment purposes. All information is provided "as is" without warranty of any kind. FMDQ (and affiliates) and the third party information providers make no representations and disclaim all express, implied, and statutory warranties of any kind to the user and/or any third party including warranties as to accuracy, timeliness, completeness, merchantability, or fitness for any particular purpose. Unless, in the event of willful tortious misconduct or gross negligence, FMDQ (and affiliates) and the third party information providers have no liability in tort, contract, or otherwise (and as permitted by law, product liability), to user and/or any third party. FMDQ (and affiliates) and the third party information providers shall under no circumstance be liable to user, and/or any third party for any lost profits or lost opportunity, indirect, special, consequential, incidental, or punitive damages whatsoever, even if FMDQ has been advised of the possibility of such damages.

Enquiries: mdg@fmdqotc.com Phone: +234 -1-2778771, 277119

OTC Market Summary

- Turnover of transactions carried out in the Fixed Income and Currency (FIC) markets for the month of June 2016 amounted to ₦9.36trn; an increase of 26.00% (₦1.93trn) over the value recorded in May and a decline of 3.26% (₦0.32trn) YoY¹
- Activities in the Treasury bills (T.bills) market remained dominant, accounting for 38.14% (May – 43.80%) of total turnover while Secured Money Market (Repurchase Agreements (Repos)/Buy-Backs) came second place, accounting for 26.5% (May – 31.16%)
- Total Foreign Exchange (FX) market transactions accounted for 26.07% (May – 13.30%), while FGN² bonds and Unsecured Placements/Takings accounted for 4.85% (May – 9.28%), and 4.34% (May – 2.41%) of the total turnover respectively

FX Market

- Milestones were recorded in the FX market as the CBN³ took steps to restructure the market. The Apex Bank released revised guidelines for the FX market, effectively liberalising the market, and appointed Foreign Exchange Primary Dealers (FXPDs). Furthermore, in a very bold and decisive move, the CBN cleared the backlog of transactions in the market via a one-time Special Secondary Market Intervention Sales (SMIS) auction. Accumulated backlog totalling \$4.02bn, was cleared with \$0.53bn (13.24%) settled spot and the remaining 86.76% (\$3.49bn) spread over one (1) to three (3) months forward contracts
- On June 27, Naira-settled OTC FX Futures product was also introduced into the Nigerian FX market with the CBN as the pioneer seller. The CBN offered twelve (12) consecutive monthly contracts with initial notional amounts of \$1.00bn each. OTC FX Futures Contracts totalling \$38.80mm were executed by the end of the month
- Transactions in the FX market settled at \$7.51bn⁴, an increase of 83.82% (\$3.43bn) compared with the value recorded in May. YoY turnover in the FX market declined by 24.28% (\$2.41bn)
- Member-Member trades settled at \$0.90bn in June (May – \$0.62bn), accounting for 11.96% of turnover in the FX market. Member-Client trades surged by 90.50% to settle at \$6.62bn
- The exchange rate at the CBN window was officially closed on June 20, making the inter-bank exchange rate the official rate. The inter-bank rate depreciated by 29.73% to close the month at \$/₦282.97 whilst the parallel market traded at \$/₦345.00 during the course of the month

Fixed Income Market (T.bills and FGN Bonds)

- Turnover in the Fixed Income market settled at ₦4.02trn; 2.05% (₦0.08trn) above the previous month's value, with transactions in the T.bills market accounting for 88.71% (May – 82.51%) of the turnover
- Outstanding T.bills closed the month at ₦5.28trn (May – ₦5.42trn) whilst outstanding FGN bonds increased 1.73% (₦112.00bn) to close at ₦6.57trn
- Trading intensity in the Fixed Income market settled at 1.24 and 0.07 for T.bills and FGN bonds respectively, with maturities between 1M to 3M being the most actively traded (₦1.27trn) in the review period
- The yield curve closed the month on an upward slope. Yields increased on all tenors, save the 1M, which recorded a decline. Spread between the 10Y and 3M yields settled at 4.63% down from the 4.91% recorded in the previous month, indicating a slight flattening of the curve

Money Market (Repos / Buy-Backs and Unsecured Placements / Takings)

- Activities in the Money Market settled at ₦2.88trn (May – ₦2.49trn), with 86.02% recorded in secured placements (Repos/Buy-Backs)
- Unsecured Placements/Takings grew by 125.57% (₦0.22trn) to close the month at ₦0.40trn, a decline of 57.26% (₦0.54trn) YoY
- Although liquidity in the banking system was strained due to withdrawals for FX spot and forwards (\$4.02bn) settlement by the CBN, OBB⁵ and ON⁶ rates closed the month at 4.42% & 4.83% respectively

Market Surveillance

- The number of executed trades captured on the E-Bond trading platform for June was 13,887 against 13,664 recorded in the previous month
- There was a decline of 34.94% on the order book while RFQ trades recorded an increase of 25.25%
- Executed trades for T.bills increased by 11.51% whilst FGN bonds recorded a decline of 31.91%