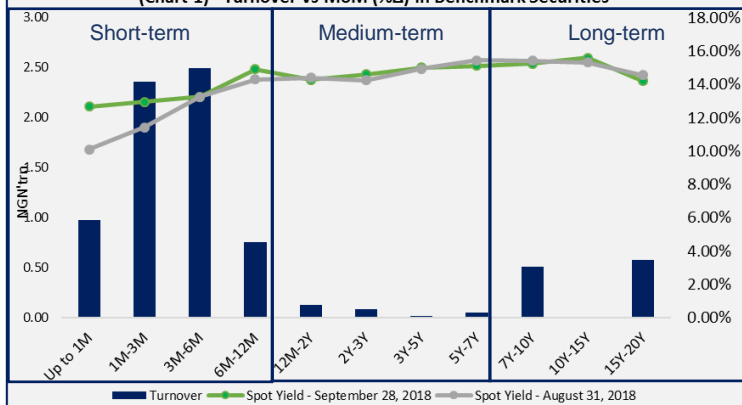


(Table 1) - FX MARKET TURNOVER (\$'bn)

	September	August	MoM Δ ¹ (\$'bn)	MoM Change Δ (%)
Inter-Member*				
FX Spot	1.76	2.11	-0.35	-16.79
FX Swaps	0.32	0.43	-0.11	-25.65
FX Futures	0.00	0.00	0.00	0.00
Others**	0.04	0.04	0.00	4.56
Total	2.12	2.58	-0.46	-17.94
Member-Clients				
FX Spot	7.79	7.11	0.68	9.63
FX Swaps	1.53	1.75	-0.22	-12.82
FX Futures	0.45	0.29	0.16	53.83
Others	0.33	0.58	-0.25	-42.62
Total	10.38	10.20	0.18	1.79
Member-CBN				
FX Spot	3.78	3.22	0.56	17.36
FX Swaps	0.00	0.10	-0.10	0.00
FX Futures	0.71	0.47	0.25	52.73
Others	1.59	1.60	-0.01	-0.70
Total	6.64	6.25	0.39	6.27
Total Turnover	19.14	19.03	0.11	0.59

(Chart 1) - Turnover vs MoM (%) in Benchmark Securities



(Table 2) - MONEY MARKET TURNOVER (₦'trn)

	September	August	MoM Δ (₦'bn)	MoM Δ (%)
Repurchase Agreement/Buy backs	2,116.69	2,495.71	-379.01	-15.19
Unsecured Placement/Takings	36.96	66.51	-29.55	-44.43
Total	2,153.65	2,562.21	-408.56	-15.95

(Table 3) - MARKET ACTIVITY - EXECUTED TRADE COUNT

	September			August			MoM Δ (%)
	AFO ⁹	RFQ ¹⁰	Total	AFO	RFQ	Total	
T.bills	1,064	15,082	16,146	980	10,156	11,136	44.99%
FGN bonds	507	1,681	2,188	850	2,114	2,964	-26.18%
Total	1,571	16,763	18,334	1,830	12,270	14,100	30.03%

Notes:

*Member**All references to Member means Dealing Member (Banks); "Others**" include FX Forwards, Options & Cross Currency Interest Rate Swaps
 1 - Month-on-Month; 2 - Year-on-Year 3 - Year-to-Date; 4 - Central Bank of Nigeria; 5 - Change; 6 - Federal Government of Nigeria; 7 - Overnight; 8 - Nigerian Inter-Bank Offered Rate; 9 - Anonymous Firm Order; 10 - Request-for-Quote.

Source: FMDQ OTC Securities Exchange

OTC Market Summary

- Turnover in the Fixed Income and Currency (FIC) market for the month ended September 30, 2018 was ₦16.65trn representing a 2.86% (₦0.46trn) MoM¹ increase on turnover of ₦16.18trn recorded in August, and a 46.78% (₦5.30trn) YoY² increase.
- The Treasury bills (T.bills) and Foreign Exchange (FX) market remained the major drivers of turnover in the FIC market, jointly accounting for 79.00% of total turnover in September, an increase of 4.45 percentage points (ppts) from their contribution in August (74.45%)

FX Market

- Total FX market turnover in September was \$19.14bn (₦6.97trn), a 0.59% (\$0.11bn) increase from the turnover recorded in August (\$19.03bn). Turnover at the Investors & Exporters (I&E) FX Window in September was \$6.30bn, representing a 14.34% MoM increase from the value recorded in August (\$5.51bn). The MoM increase in turnover at the I&E FX Window resulted in a 3.97ppts increase in its contribution to total FX market turnover from 28.95% in August to 32.92% in September, bringing the total YTD³ turnover at the I&E FX Window to \$45.48bn
- Analysis of FX turnover by trade type shows that in September, Member-CBN⁴ trades recorded the highest MoM increase of 6.27% (\$0.39bn), while Inter-Member trades recorded the only MoM decline in turnover, falling by \$0.46bn (17.94%) (see Table 1)
- Analysis of contribution to total FX turnover by trade type indicated Member-Client and Member-CBN trades remained the major drivers in this segment, contributing 54.24% and 34.68% respectively to total turnover
- Analysis by product type showed that turnover in FX Spot increased MoM by 7.15% (\$0.89bn), while Derivatives turnover recorded a MoM decline of 5.45% (\$0.29bn). In September, the 27th Naira-settled OTC FX Futures contract (NGUS SEP 26, 2018) with a total open contract size of \$830.66mm, matured and was settled on FMDQ, whilst a new 12-month contract (NGUS SEP 18, 2019) with a notional principal of \$1.00bn with a futures price of \$/₦365.62 was introduced to replace the matured contract
- In September, the USD/NGN rate at the I&E FX Window depreciated by \$/₦1.28 to close the month at 363.92 (from \$/₦362.64 as at August 31, 2018). Similarly, the CBN Official Spot rate depreciated in September, losing \$/₦0.20 to close at \$/₦306.35 (from \$/₦306.15 as at August 31, 2018). The Parallel market rate remained flat in September to close the month at the same rate of \$/₦361.00 reported in August. Consequently, the closing USD/NGN rate at the parallel market remained lower than the USD/NGN rate at the I&E FX Window for the third consecutive month in 2018

Fixed Income Market (T.bills and FGN⁶ Bonds)

- In September, total turnover in the Fixed Income (FI) market was ₦7.96trn, representing a 13.44% (₦0.94trn) MoM increase from turnover reported in August. Turnover in the T.bills market recorded a MoM increase of 21.14% (₦1.16trn). Conversely, turnover in the FGN Bonds market declined MoM by 14.19% (₦0.22trn)
- Total T.bills outstanding as at September 28, 2018, stood at ₦12.65trn, representing a 0.69% (₦0.08trn) MoM increasing, while total FGN Bonds outstanding increased by 1.22% (₦0.10trn) MoM to close at ₦8.11trn
- Monthly Trading Intensity in the T.bills and FGN Bonds markets increased from 0.41 and 0.20 respectively in August, to 0.52 and 0.17 respectively in September. T.bills within the 3-6 months maturity bracket remained the most actively traded, accounting for 31.31% of the total FI market turnover in September
- Weighted average yields on short-term maturities on the sovereign yield curve increased by 0.65ppts in September, whilst the weighted average yields for medium and long-term maturities decreased by 0.16ppts, 0.07ppts respectively (see Chart 1)
- Yield spread between the 3-month T.bills and the 10-year FGN Bond decreased by 170 basis points (bps) to close at a 2.28% in September (3.98% in August)

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

- Turnover recorded in the Repos/Buy-Backs segment of the Money Market was ₦2.12trn in September, representing a 15.19% (₦379.01trn) MoM decrease from the value recorded in August (₦2.50trn) and a 160.16% (₦1.33trn) YoY increase on the turnover recorded in September 2017
- Similarly, Unsecured Placements/Takings closed the month with a turnover of ₦36.96bn, representing a 44.43% (₦29.55bn) MoM decline on the turnover recorded in August (₦66.51bn), and a YoY decline of 68.98% (₦82.20bn) (see Table 2)
- Average O/N⁷ NIBOR⁸ declined by 0.80ppts to close at 8.14% in September from 8.94% reported for August, suggesting an increase in liquidity in the inter-bank market

Market Surveillance

- Total number of executed trades reported on the E-Bond Trading System in September was 18,334 representing a MoM increase of 4,234 in the number of executed trades, driven by a MoM increase in the number of executed trades in T.bills by 5,010 (44.99%), offsetting the MoM decrease by 776 (26.18%) in the total number of executed trades for FGN bonds in September 2018 (see Table 3)