



FMDQ SPOTLIGHT

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NEW STORIES

University of Oxford and FMDQ Group Launch Pioneer Global Partnership

- **Oxford Foundry and FMDQ Private Markets to Accelerate Nigeria's Start-up Ecosystem and Nurture Young Business Leaders**

The Oxford Foundry, University of Oxford, United Kingdom, and FMDQ Private Markets Limited ("FMDQ Private Markets"), a subsidiary of FMDQ Holdings PLC, Nigeria ("FMDQ Group" or "FMDQ"), Africa's first vertically integrated financial market infrastructure group have launched a global partnership to accelerate the growth of Nigeria's start-up ecosystem and nurture a future generation of young Nigerian leaders in entrepreneurship, through knowledge exchange and collaboration. The partnership will support Nigeria's future business leaders and high-growth start-ups to access the networks and skills they need to grow and sustain their businesses, create jobs and inclusive socio-economic growth, and facilitate the growth of Nigeria's venture ecosystem. Critically, the partnership supports collaboration and knowledge exchange between the UK and Nigerian angel investment communities, as Nigeria's community matures. Ventures will be supported to develop market solutions in high-potential sectors such as technology, agriculture, green industries, and healthcare.

Nigeria has one of the largest numbers of technology start-ups in Africa and has been identified as one of the eleven '3G' countries by Citigroup - countries of large growth potential and profitable investment opportunities. There is an increasing number of programmes to support Nigerian startups, with corresponding high demand, implying that there is huge potential and opportunity to create new partnerships to support high growth-potential businesses, and an increased need to access capital. Currently over 80% of venture/start-up funding comes from an entrepreneur's personal or family resources.

Through this partnership between Oxford Foundry and FMDQ Private Markets - the largest private capital platform in Nigeria, - a bespoke Programme, starting in late 2021, leveraging the University of Oxford's global, multidisciplinary networks and Nigeria's entrepreneurship ecosystem, to support Nigeria's future business leaders and high-growth start-ups to access the networks, skills and investment pathways they need to grow their businesses, has been co-created. The Programme is focused on three (3) key areas, to Upskill, Grow and Accelerate, with the facilitation of the training of twenty (20) young Nigerian aspiring entrepreneurs and future leaders through the OXFO-FMDQ Young Entrepreneurial Leaders programme; the promotion of knowledge exchange and shared best practice across Oxford's and Nigeria's angel investment communities, through roundtables and relationship building initiatives, to unlock vital capital; and the acceleration of five (5) high-potential Nigerian startups through a tailor-made OXFO x FMDQ Start-up Bootcamp, to scale up transformative social and economic impact in Nigeria. The Programme leverages the Oxford Foundry's unparalleled assets, including networks, partnerships and a venture building and leadership curriculum delivered by some of the world's leading experts.

According to Ana Bakshi, Director of the Oxford Foundry, “I am sincerely pleased to launch our first global partnership with FMDQ in Nigeria. Nigeria has one of the largest number of tech start-ups in Africa, and Africa is a continent of immense entrepreneurial talent and high-growth venture potential. There is huge opportunity to invest in the future generation of global entrepreneurs and leaders who will come from across the continent, and this first partnership is an important step to build new relationships and learn from other entrepreneurial ecosystems. Now more than ever, it’s vital that we share our resources, access to networks and opportunities, and work together across geographical boundaries to benefit society, create jobs and boost economies. We want to open the Oxford Foundry up to the world, and together, support the next generation of entrepreneurs and leaders to create the purpose-led impact and positive change we all need to see.”

Bola Onadele. Koko, Chief Executive Officer of FMDQ Group, stated that “FMDQ is delighted to be the first global partner of the Oxford Foundry, particularly on this laudable initiative, which emphasises the provision of critical support for high-growth start-up businesses. It is vital that young Nigerian start-up companies and high-growth small- and medium- sized enterprises (SMEs) are provided with the skills, networks, mentorship, and capital required to overcome the barriers to successfully grow and sustain their businesses, thereby creating employment opportunities and supporting poverty alleviation in the country. FMDQ Group, through its wholly owned subsidiary, FMDQ Private Markets, is excited to work with a credible partner to deliver the key programmes under the partnership to develop and transform Nigeria’s young entrepreneurs, further entrenching the ethos of the Group’s mission - *we collaborate to empower markets for economic progress towards delivering prosperity*. Furthermore, this Programme is in close alignment with FMDQ Private Market’s flagship initiative - SCALE (Start-up Capital Access & Liquidity Ecosystem) - aimed at supporting the growth of high potential Nigerian-based start-up companies, creating a pipeline of sustainable businesses in Nigeria.”

The Oxford Foundry Entrepreneurship Centre at the University of Oxford was opened by the CEO of Apple, Tim Cook, in 2017, to provide all students and alumni of the University of Oxford, as well as wider communities, the entrepreneurial and technology experiential skills and training they need to succeed in their chosen careers, and to build and lead purposeful, sustainable ventures that benefit people and the planet. Through local, national, and international partnerships, the Foundry is democratising entrepreneurship and opening Oxford University’s talent, resources and networks to the world. To date, the thirty-two (32) ventures on the Foundry’s Accelerator Programme, Elevate, have raised over £43 million since joining the Programme, are valued at over £150 million, have created more than one hundred and seventy (170) jobs globally, and are creating a positive impact around the world across different sectors and industries.

FMDQ Private Markets, a wholly owned subsidiary of FMDQ Group, is an organised platform focused on promoting the inclusion of private companies in the Nigerian capital markets, by providing the much-needed information in the market for private companies’ securities as well as a medium for the disclosure of activities of private companies in the Nigerian debt and equity capital markets, serving as an information repository for the recording of these activities, via restricted access portal, the Private Companies’ Securities Information and Distribution Portal, and ultimately, improving credibility in the market for private issuances.

FMDQ Group Holds 9th AGM; Reports Significant Development Across the Group and Subsidiaries

Africa's first vertically integrated financial market infrastructure (FMI) group, FMDQ Group held its 9th Annual General Meeting (AGM) on Friday, July 30, 2021, to transact its ordinary and special business and receive relevant approvals from its stakeholders. As a precaution to the rising number of COVID-19 cases, the AGM was held virtually via Zoom and afforded all stakeholders the same participatory rights as with a physical meeting.

Dr. Kingsley Obiora, Group Chairman of the Board of Directors, FMDQ Group, ably represented by Mr. Jibril Aku, the Group Vice Chairman of the Board, presided over the AGM and as part of the ordinary business, presented the Audited Financial Statements for the year ended December 31, 2020, to shareholders, together with the Reports of the Directors and Auditors. Recounting FMDQ's journey in 2020, he acknowledged that "the year 2020 was understandably challenging, with the outbreak of the COVID-19 pandemic, and the attendant turbulence in the global and domestic economic landscapes". He further stated that despite the challenges, "2020 was a landmark year for FMDQ, as it saw the Company's reorganisation into a Group structure, with FMDQ Group becoming a non-operating Holding Company registered by the Securities and Exchange Commission (SEC), with three (3) SEC-registered capital market subsidiaries. These regulated subsidiaries include FMDQ Exchange, FMDQ Clear Limited ("FMDQ Clear") and FMDQ Depository Limited ("FMDQ Depository"), all further consolidating our business model, transforming FMDQ to Africa's first vertically integrated FMI group, and helping to de-risk the markets across the full capital market value chain, from pre-trade, trade to post-trade." Speaking further, he stated that two (2) new subsidiaries, FMDQ Private Markets and iQx Consult Limited, were operationalised in 2020 to extend the opportunities in the capital market to private companies, amongst others, and ensure operational efficiency and build resilience in the FMDQ Entities through technology and digitisation, respectively.

Speaking on the product and market development activities of FMDQ's capital markets subsidiaries, the Chairman stated that FMDQ Exchange's Securities Admission business saw eighty-two (82) securities, with a total value of ₦2.07 trillion, admitted on its platform. Furthermore, the Exchange activated its Equity Market Development Project during the year, with relevant activities commencing in earnest towards full operationalisation of the Market. Also, the FMDQ Exchange-Traded Derivatives (ETD) Market Development Project, following significant financial markets developments, such as the long-awaited introduction of netting and other relevant laws in the Companies and Allied Matters Act (CAMA), 2004, to include netting and other relevant provisions in 2020, has advanced towards the eventual launch of the FMDQ ETD Market, with the planned introduction of pioneer fixed income products later in 2021. Speaking on FMDQ Clear, the Chairman stated that the receipt of an Approval-in-Principle from the SEC in September 2020 on its registration as Nigeria's foremost Central Counterparty (CCP), and a full registration from the SEC in 2021, has effectively positioned FMDQ Clear for the actualisation of the Company's vision of becoming a globally accepted CCP by 2025. FMDQ Depository was not left out of the mix, as it also achieved considerable growth as evidenced in the admission of a total of twenty-one (21) securities valued at circa ₦411.00 billion in 2020, driven by the activation of its market penetration strategy for its securities-related services, despite the downturn in the operating environment.

The Chief Executive Officer of FMDQ, Mr. Bola Onadele. Koko, while speaking to the Group's outlook for 2021 and beyond, stated that "FMDQ Group will continue to work assiduously to deliver innovative and critical market development initiatives, with the support of and in collaboration with its stakeholders". Some of the initiatives market participants can look forward to in the near-term include; the launch of FMDQ Exchange's Fixed Income Futures products, having received the SEC's approval for the FMDQ Exchange Derivatives Market Rules in February 2021, and the activation of the Repo market with collateral management service; FMDQ Clear's activation of CCP services for financial market transactions (cash and derivatives) having received the SEC's approval for its Clearing Member Rules in April 2021; FMDQ Depository's extension of its services to new asset classes and customer segments, and further digitisation of its Participants interfaces and services; and, the activation of FMDQ Private Markets' Startup Accelerator and Liquidity Ecosystem (SCALE) product, supported by the Oxford Foundry, the entrepreneurial centre of the University of Oxford, UK, which will extend much-needed opportunities to market segments that are currently poorly served by capital providers and drive an inclusive growth and development of the Nigerian economy.

Mr. Onadele concluded that "Despite the lingering effects of the pandemic on the economy and the minimal recovery recorded thus far in 2021, FMDQ Group assures its stakeholders of a renewed commitment to channel adequate resources towards achieving the set objectives for the markets under its purview, while continuing to work assiduously towards the swift activation of robust and thriving Derivatives and Equity Markets, as well as consolidating the Group's Debt Markets leadership position.

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61st FX Futures Contract Matures and Settles on FMDQ

On Wednesday July 28, 2021, the 61st FX Futures contract – NGUSJUL28 2021 with a nominal value of \$236.30 million, matured and settled on FMDQ Exchange. This maturity brings the total value of matured currency futures contracts on the Exchange, since the inception of the market in June 2016, to circa \$51.64 billion; with a total of about \$55.74 billion so far traded.

The matured contract was valued for settlement against the NAFEX – the Nigerian Autonomous Foreign Exchange Fixing – the FMDQ Exchange reference Spot FX rate published same day. The associated clearing/settlement activities were effected accordingly by FMDQ Clear.

The Central Bank of Nigeria (CBN), as observed over the last sixty (60) maturities, introduced a new contract, NGUSJUL29 2026 for \$1.00 billion at \$/N614.32 to replace the matured contract. The apex bank also refreshed its quotes on the existing 1 to 60-month contracts.

The contracts quotes are published daily on FMDQ's website at www.fmdqgroup.com

[Click here to view Open Contracts](#)

At a Glance: Update from FMDQ Clear

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FMDQ Clear is Nigeria's premier Central Counterparty (CCP) registered by the Securities and Exchange Commission, (SEC) Nigeria, to provide post-trade services to enhance the integrity of and eliminate the inherent counterparty risks in financial market transactions, whilst facilitating settlement finality, towards delivering capital and cost efficiencies, and de-risking the Nigerian financial markets.

The tables below provide an overview of the clearing and settlement activities cutting across the derivatives (currency futures) and fixed income markets.

Table 1: Clearing and Settlement Activities in the Currency Futures (Derivatives) Market

S/N	Currency Futures (as of June 30, 2021)	May	June	Change (%)
Clearing				
1	No. of Traded & Cleared Contracts	5,400	5,443	0.80
2	Value of Traded & Cleared Contracts (\$'bn)	55.07	55.65	1.05
3	Value of Open Contracts (as of June 30, 2021) (\$'bn)	3.96	4.23	6.73
Settlement				
4	No. of Matured & Settled Contracts	5,017	5,052	0.70
5	Value of Matured & Settled Contracts (\$'bn)	51.11	51.40	0.57

Table 2: Clearing and Settlement Activities in the Sovereign Fixed Income Market

S/N	Sovereign Fixed Income	May	June	Change (%)
1	Total Value of Trades Processed (₦'bn)	2,385.06	3,922.08	64.44
2	Value of Trades Settled (₦'bn)	2,161.53	3,665.98	69.60
3	Value of Unsettled Trades (₦'bn)	223.54	256.10	14.57

Table 3: Clearing and Settlement Activities in the Non-Sovereign Fixed Income Market

S/N	Non-Sovereign Fixed Income	May	June	Change (%)
1	Total Value of Trades Processed (₦'bn)	1.75	5.27	201.41
2	Value of Trades Settled (₦'bn)	0.49	4.14	744.37
3	Value of Unsettled Trades (₦'bn)	1.26	1.14	(9.75)

For more on FMDQ Clear, please click [here](#)

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At a Glance: Update from FMDQ Depository

FMDQ Depository, registered by the SEC, Nigeria, is strategically positioned to provide a secure and efficient depository for financial markets assets, as well as facilitate settlement of capital market transactions. With the successful establishment of the dual depository mandate for security issues which provides investors with the ability to choose which depository to use for both primary and secondary market activities, FMDQ Depository, having succeeded in establishing itself as a strong, effective, and credible depository supporting securities in both the public and private markets, is set to expand its service offerings, making it the depository of choice in the Nigerian financial markets.

FMDQ Depository will continue to leverage on the effective support and collaboration of its stakeholders towards delivering innovative and key market development initiatives.

For more on FMDQ Depository service offerings, please click [here](#)

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FMDQ LISTINGS & QUOTATIONS

FMDQ Exchange Reiterates its Support for the Development of the Nigerian Green Bond Market

▪ **Admits NSP-SPV PowerCorp PLC ₦6.33 Billion Green Bond Issuance on its Platform**

Globally, the green bond market has shown exponential growth as corporate entities and governments are raising funds from the debt capital markets (DCM) to finance environmentally friendly projects to support the development of their countries. FMDQ Exchange, a wholly owned subsidiary of FMDQ Group, in furtherance of its commitment to enhance access to capital to address environmental challenges, as well as championing development in the Nigerian DCM, welcomed the **listing of the NSP-SPV PowerCorp PLC ₦6.33 billion Fixed Rate Series 2 Senior Unsecured Green Bonds (the “Green Bond”)** under its **₦50.00 billion Bond Issuance Programme** to its platform, following the approval of its Board Listings and Markets Committee. The proceeds from this issuance will be used to fund the development of 15MW Pre-Phase 1 Solar Project and the transmission evacuation infrastructure for NSP PowerCorp PLC’s Solar Project, further fuelling the development of power in Nigeria.

Speaking on the successful issuance of the Bond, the Executive Vice Chairman/Chief Executive Officer, North South Power Company Limited (“North South Power”), Engr. Olubunmi Peters, stated that “this landmark transaction reinforces our belief and commitment in promoting clean energy generation in Nigeria. It also demonstrates growing investor confidence in our business, management team, and long-term strategy. We remain committed to unlocking opportunities within the power and infrastructure industry and promoting a sustainable energy solution for Nigeria. We thank the Lead Issuing House, Stanbic IBTC Capital Limited, as well as the Joint Issuing Houses on the transaction – Renaissance Securities Limited, AVA Capital Partners Limited, CardinalStone Partners Limited, EAC Advisory Limited, Rand Merchant Bank Nigeria Limited, and Vetiva Capital Management Limited for their hard work and commitment in ensuring a successful outcome. We also thank all other professional parties, the technical consultants – TUV Nord Cert, Financial Sector Deepening Africa (“FSD Africa”), Climate Bonds Initiative (CBI) and the FMDQ Nigerian Green Bond Market Development Programme. We also thank FMDQ Exchange and the Securities and Exchange Commission for their relentless support through the entire issuance process”.

Also, the Chief Executive Officer, Stanbic IBTC Capital Limited (the Sponsor of the Bond on the Exchange and a Registration Member (Listings) of FMDQ Exchange), Mr. Funso Akere commented, “we are delighted to have advised on this landmark issuance which reflects the depth and diversity of the Nigerian DCM. The success of the transaction demonstrates investors’ confidence in North South Power, its sector, people, and strategic direction. Stanbic IBTC Capital Limited is also extremely grateful to have been given this opportunity by North South Power to add yet another successful green

bond issuance to its stable. The promotion of the three pillars of sustainability, that is social equity, economic viability and environmental protection, is one we keep dear to our core strategy and values, as members of Standard Bank Group”.

The Nigerian Green Bond Market Development Programme (“NGBMDP” or the “Programme”), which provided technical support for the NSP-SPV PowerCorp PLC Series 2 Green Bond, by facilitating crucial engagements between the parties to the transaction and selecting technical Consultants for the verification of the Green Bond, was launched in 2018, to create awareness and drive education required to integrate the principles of green financing into the Nigerian DCM, as a partnership between FMDQ Group, CBI and FSD Africa.

The Chief Executive Officer, FMDQ Group, Mr. Bola Onadele. Koko stated that “FMDQ is proud to have supported the NSP-SPV PowerCorp PLC Series 2 Green Bond through the Nigerian Green Bond Market Development Programme. As the local partner to the Programme, FMDQ provided support by selecting Consultants for the verification and credit rating assessment of the Green Bond, which was executed within a remarkable timeline of estimated two (2) weeks. This transaction further proves that the Programme’s efforts toward developing a vibrant green bond market are gaining traction as more corporates and subnationals are beginning to explore green debt financing opportunities to raise capital towards pipelines of eligible projects. Once again, we congratulate the Board and Management of North South Power and reiterate our commitment to work with our stakeholders to develop the Nigerian green bond market”.

Furthermore, one of the implementing partners to the Programme, the Director, Capital Markets, FSD Africa, Dr. Evans Osano, commented that “FSD Africa is proud to have worked with North South Power on this green bond issuance in Nigeria. The Climate Bond Certification implies that North South Power underlying assets have met rigorous scientific criteria in line with the Paris agreement”.

FMDQ Exchange, being an Exchange with a passion for sustainable development and green financing in Nigeria, has again proven its unflinching commitment in this regard by providing due diligence and availing its credible and efficient platform for the listing and trading of the NSP-SPV PowerCorp PLC Green Bond. The Exchange will remain unyielding in its support for the development of the Nigerian DCM through its highly efficient platform for the registration, listing, quotation, and trading of securities, providing access to capital for infrastructural and sustainable development.

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FMDQ Exchange Admits Mixta Real Estate PLC Series 37, 38 and 39 Commercial Papers

The Nigerian Commercial Paper (CP) market has remained a viable option for corporate entities looking to raise funds to meet shortfalls in their working capital needs, as well as other short-term expenditures. In line with its mandate to foster development in the Nigerian Capital Market, FMDQ Exchange, welcomed the quotation of the Mixta Real Estate PLC ₦0.88 billion Series 37, ₦1.64 billion Series 38, and ₦2.59 billion Series 39 CPs under its ₦20.00 billion CP Issuance Programme on its platform on Thursday, July 15, 2021. The Mixta Real Estate CPs which are sponsored by FBNQuest Merchant Bank - a Registration Member (Quotation) of the Exchange, would be used to finance the Issuer's short-term funding requirements.

Mixta Real Estate PLC ("Mixta" or the "Issuer"), a subsidiary of Mixta Africa, specialises in the development of urban infrastructure and affordable housing and was established with the objective of responding to the existing housing deficit across the African continent. The Issuer will benefit from the FMDQ Exchange's diversified investor base, its highly responsive and efficient listings/quotations process, and credible benchmark pricing required for appropriate portfolio valuation, amongst others.

FMDQ Exchange will continue to remain innovative even as it continues to provide timely and cost-efficient listing and quotation services, as may be necessary, to support its stakeholders, particularly issuers and investors, towards accessing capital, managing risks and invariably, improving their corporate profile.

Coronation MB Funding SPV and C&I Leasing PLC Raise Finance from the Nigerian Debt Capital Market, Issues New Series on FMDQ Exchange

In acknowledging the value-add derived by corporate entities from its credible and efficient platform, FMDQ Exchange has diligently continued to support the deepening of the Nigerian DCM through the offerings of its unique listing and quotation services. Commendably, the Board Listings and Markets Committee of FMDQ Exchange has approved the listing of the **Coronation MB Funding SPV PLC ₦25.00 billion Series 1 Fixed Rate Bond ("Coronation MB Bond") Under its ₦100.00 billion Bond Issuance Programme** on its platform.

Coronation MB Funding SPV PLC is a special purpose vehicle set up to raise capital from the Nigerian DCM for Coronation Merchant Bank Limited. The Coronation MB Bond which is sponsored by FBNQuest Merchant Bank Limited - a Registration Member (Listing) of FMDQ Exchange, will enhance the liquidity buffers of Coronation Merchant Bank, a key player in the Nigerian corporate banking,

asset/fund management and securities trading sector, and avail adequate governance, through its listing on FMDQ Exchange.

In the same vein, FMDQ Exchange welcomed the listing of the **C&I Leasing PLC ₦10.00 billion Series 2 Fixed Rate Senior Secured Bond (“the Bond”)** under its **₦20.00 billion Bond Issuance Programme** on the FMDQ Exchange platform. C&I Leasing PLC is a diversified, leasing and business service conglomerate providing support serviced to various indigenous and multinational organisations in West Africa along three lines: Fleet Management, Personnel Outsourcing and Marine Service. The company provides transportation logistics solutions in the form of car and marine vessel rental, fleet management and automobile distribution through its wholly owned subsidiaries: C&I Marine, C&I Fleet Management, C&I Outsourcing, and CITRACKS. The bond which is sponsored on the Exchange by Cordros Capital Limited – a Registration Member (Listing) of FMDQ Exchange, will be used to repay existing short-term loans and finance other capital expenditures.

As part of its commitment to continually deliver exceptional value to the Nigerian financial markets and its stakeholders, FMDQ Exchange shall continue to validate its operational mandate of aligning the markets within its purview to international standards, striving to ensure they emerge as globally competitive, operationally excellent, liquid, and diverse. Through its continued support for institutional growth, the Exchange shall invariably contribute its quota to rejuvenating the vibrancy of the Nigerian economy.

FMDQ Exchange Admits Coleman Technical Industries Limited Series 1 & 2 Commercial Papers on its Platform

The Nigerian DCM plays an important role in the efficient mobilisation and allocation of resources in the economy and despite the impact of the current times, the market has continued to effectively support corporates looking to expand their business operations. In this regard, FMDQ Exchange is pleased to welcome the **quotation of the Coleman Technical Industries Limited ₦0.15 billion Series 1 and ₦3.80 billion Series 2 Commercial Papers (CPs) under its ₦20.00 billion CP Issuance Programme** on its platform. The successful quotation of these CPs is testament to the opportunities which the Nigerian DCM avails to corporates in diverse business areas.

Coleman Technical Industries Limited (“CTIL” or “the Issuer”) is West Africa’s largest producer and distributor of electrical wires and cables. The quotation of these CPs which is sponsored by Coronation Merchant Bank Limited, a Registration Member (Quotations) of FMDQ Exchange, strategically positions CTIL to raise short-term finance easily and quickly from the Nigerian DCM. As is tradition, CPs quoted on FMDQ Exchange benefit from the commendable and efficient CP quotation process, in addition to continuous provision of invaluable information and price formation as part of the

Exchange's commitment to organise, govern and enforce transparency in the Nigerian capital market space.

Speaking on the quotation of the CPs, the Managing Director/CEO, CTIL, Mr. George Onafowokan, stated "The successful quotation of Coleman Technical Industries Limited Series 1 & 2 CPs will broaden CTIL's funding base and allow us deploy same towards our working capital and general corporate purposes which will, without a doubt, allow us expand our production capacity and our product base such that reliance on imports will be eliminated. We thank the investing community for their confidence in our instrument and congratulate all the parties involved in the process. We remain optimistic that the quotation of the Series 1 & 2 CPs on FMDQ Exchange will avail us the global visibility needed to achieve our long-term capital plan".

In support of the development of the Nigerian DCM and growth of the Nigerian economy, FMDQ shall continue to ensure the markets under its purview emerge as globally competitive, operationally excellent, liquid, and diverse. Also, the Exchange shall continue to sustain its efforts in supporting issuers with tailored financing options to enable them achieve their strategic objectives, in support of the realisation of a resilient and vibrant economy.

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FMDQ TURNOVER & DEALING MEMBER (BANKS) LEAGUE TABLE

FMDQ Turnover & Dealing Member (Banks)' League Table Report

The FMDQ Market Turnover Report shows the turnover on all products traded on the FMDQ secondary market – Foreign Exchange (FX), Treasury Bills (T.bills), OMO Bills, Bonds (FGN Bonds, other Bonds (Agency, Sub-national, Corporate & Supranational) & Eurobonds) Commercial Papers, CBN Special Bills and Money Market (Repos/Buy-Backs and Unsecured Placements/Takings). These figures exclude primary market auctions in T.bills and Bonds.

The data, collated from the weekly trade data submissions by FMDQ Dealing Member (Banks), represents trades executed amongst the Dealing Member (Banks), Dealing Member (Banks) & Clients, and Dealing Member (Banks) & the CBN.

FMDQ Market Turnover (January - June 2021)

Product Category	(N'mm)	(\$'mm)
Foreign Exchange	11,596,865	28,459
Foreign Exchange Derivatives	13,927,890	34,218
Treasury Bills	7,831,840	19,247
OMO Bills	22,612,729	55,766
CBN Special Bills	3,530,432	8,614
FGN Bonds	9,931,192	24,441
Promissory Notes	135,139	338
Other Bonds*	5,800	14
Eurobond	234,997	578
Repurchase Agreements/Buy-Backs	20,646,288	50,673
Unsecured Placements/Takings	1,580,384	3,869
Money Market Derivatives	12,110	31
Commercial Papers	-	-
Total	92,045,665	226,248
No. of Business Days	119	119
Average Daily Turnover	773,493	1,901

Average YTD \$/₦ @406.83

mm – million

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

Note: Figures may be subject to change due to potential adjustments from Dealing Member (Banks), Central Bank of Nigeria

Source: FMDQ Data Portal as @ July 7, 2021; Figures reported by Dealing Member (Banks) on a week-ending basis



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The total turnover for the January – June 2021 period amounted to ₦92.05 trillion. Trading activities in FX (Spot FX and FX Derivatives) contributed the largest to overall turnover, accounting for 27.73% of the market. Transactions in OMO Bills accounted for 24.57%, whilst Repurchase Agreements (Repos)/Buy-Backs product categories (Repos/Buy-backs) accounted for 22.43%. Bonds, Treasury Bills, Unsecured Placements & Takings, CBN Special Bills, Promissory Notes and Money Market Derivatives accounted for 11.05%, 8.51%, 1.72%, 3.84%, 0.15% and 0.01% respectively, of overall market turnover.

Top Ten (10) Dealing Member (Banks) in FMDQ Markets (January - June 2021)

The FMDQ Dealing Member (Banks) League Table shows the rankings of the top ten (10) Dealing Member (Banks) in the FMDQ markets by overall market turnover.

RANK	DEALING MEMBER (BANKS)
1	ACCESS BANK PLC
2	STANBIC IBTC BANK PLC
3	UNITED BANK FOR AFRICA PLC
4	ZENITH BANK PLC
5	FIRST BANK OF NIGERIA LIMITED
6	POLARIS BANK LIMITED
7	CORONATION MERCHANT BANK LIMITED
8	GUARANTY TRUST BANK PLC
9	CITIBANK NIGERIA LIMITED
10	ECOBANK NIGERIA LIMITED

The top ten (10) Dealing Member (Banks) accounted for 72.88% (₦101.67 trillion) of the overall turnover of trades in the secondary market, with the top three (3) accounting for 44.67% (₦62.32 trillion) of this sub-section of the market. Access Bank PLC, Stanbic IBTC Bank PLC and United Bank for Africa PLC ranked 1st, 2nd and 3rd positions respectively, in the value traded for the review period.

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FMDQ Fixed Income Primary Markets Sponsors' League Table (January – June 2021)

The FMDQ Fixed Income Primary Markets Sponsors' League Table shows the rankings of sponsors of fixed income securities (excluding FGN Bonds and T.bills) on FMDQ Exchange. The Registration Member (Listings) (RML) and Registration Member (Quotations) (RMQ) (collectively referred to as "Registration Members" or "RMs") are FMDQ Exchange's authorised sponsors of securities listed and quoted on the Exchange.

Rank	Bonds	Rank	Commercial Papers
	Registration Member (Listings) (RMLs)		Registration Member (Quotations) (RMQs)
1 st	Stanbic IBTC Capital Ltd.	1 st	Chapel Hill Denham Advisory Ltd.
2 nd	UCML Capital Ltd.	2 nd	Coronation Merchant Bank Ltd.
3 rd	Tiddo Securities Ltd.	3 rd	Renaissance Securities Nigeria Ltd.
4 th	Planet Capital Ltd.	4 th	Stanbic IBTC Capital Ltd.
5 th	FCMB Capital Markets Ltd.	5 th	UCML Capital Ltd.
6 th	United Capital PLC	6 th	Standard Chartered Capital & Advisory Nigeria Ltd.
	Rand Merchant Bank Ltd.	7 th	EAC Advisory Limited
	FSDH Capital Ltd.	8 th	Afrinvest (West Africa) Nigeria Ltd.
9 th	DLM Advisory Ltd.	9 th	FBNQuest Merchant Bank Ltd.
10 th	FBNQuest Merchant Bank Ltd.	10 th	FCMB Capital Markets Ltd.
	Coronation Merchant Bank Ltd.	11 th	CardinalStone Partners Ltd.
12 th	Chapel Hill Denham Advisory Ltd.		FSDH Capital Ltd.
		13 th	United Capital PLC

Total Market Participation Analysis H1 2021 (Bond and CP Markets)

The top three (3) Sponsors in both the bond and CP markets were Stanbic IBTC Capital Ltd., UCML Capital Ltd. and Chapel Hill Denham Advisory Ltd., contributing 49.35% to total issuances in the review period. Stanbic IBTC Capital Ltd., occupying the 1st position, contributed 18.65% to total issuances and participated in both the bond and CP markets, whilst UCML Capital Ltd. and Chapel Hill Denham Advisory Ltd. participating in the bond and CP markets and contributed 17.40% and 13.30% respectively to total issuances in the period.

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FMDQ Fixed Income Primary Markets Solicitors' League Table (January – June 2021)

The FMDQ Primary Market Solicitors League Table shows the rankings of solicitors of fixed income securities (excluding FGN Bonds and T.bills) listed and/or quoted on FMDQ Exchange.

Rank	Bonds Solicitors	Rank	Commercial Papers Solicitors
1 st	Udo Udoma & Belo-Osagie	1 st	Aluko & Oyebode
2 nd	The New Practice	2 nd	Udo Udoma & Belo-Osagie
3 rd	Banwo & Ighodalo	3 rd	Banwo & Ighodalo
4 th	G. Elias & Co.	4 th	G. Elias & Co.
5 th	F.O Akinrele & Co.	5 th	Duale, Ovia & Alex Adedipe
		6 th	Advocaat Law Practice
		7 th	Olaniwun Ajayi LP

Total Market Participation Analysis H1 2021 (Bond and CP Markets)

The most active Solicitor for the review period was Udo Udoma & Belo-Osagie participating as solicitor in both the bond and CP markets for the review period. Aluko & Oyebode came in second place participating only in the bond market while Banwo & Ighodalo came in third place participating in the bond and CP markets. The top three (3) solicitors for January – June 2021 (in both the bond and CP markets) contributed 77.34% to total issuances.

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Sustainable Securities – Green Bonds I

Background

The need to invest in projects specifically aimed at influencing the rate of climate change positively became a concern to financial markets participants in the early 2000s after a report¹ which analyses the impact of climate change and the effect of human activities on the state of global warming, was published by the Intergovernmental Panel for Climate Change (IPCC), a United Nations (UN) agency. This led to a request by a group of Swedish pension funds to the World Bank through their bank; Sandinaviska Enskilda Banken AB (SEB) for an alternative type of investment geared solely towards climate change.

In 2008, the World Bank in collaboration with Centre for International Climate and Environmental Research (CICERO), designed the blueprint and issued the first 'Green Bond' aimed at raising funds for climate-related projects. Prior to the issuance of the World Bank's Green Bond, the European Investment Bank (EIB) issued a bond under the name Climate Awareness Bond, with proceeds dedicated to renewable energy and energy efficiency projects.

Green Bonds are like every other bond which is an agreement between the borrower ("Issuer") and an investor ("Bondholder") to borrow funds to finance a project and repay the Bondholder at an agreed rate and time, except for the proceed which are specifically aimed at financing climate related projects.

Green Bond Principles

The issuance of the first labelled Green Bond formed the basis for the Green Bond Principles (GBP) established in 2014 by a consortium of investment banks², with ongoing monitoring and development being coordinated by the International Capital Markets Association (ICMA). The GBP are voluntary process guidelines for issuing Green Bonds. The purpose of the GBP is to promote the role that global debt capital markets can play in financing progress towards environmental sustainability by encouraging transparency and disclosure of the use of proceeds, thereby promoting integrity of the market.

There are four (4) components for alignment with the GBP. These components are: (i) The use of proceeds, (ii) Process for Project Evaluation and Selection, (iii) Management of Proceeds and (iv) Reporting. The components are briefly summarised below, as stated in the 2021 edition of the GBP ("GBP 2021"³):

¹ https://www.ipcc.ch/site/assets/uploads/2018/02/ar4_syr_full_report.pdf

² <https://www.climatebonds.net/market/best-practice-guidelines>

³ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pptx>

- **Use of Proceeds:** This recognises broad categories of eligible green projects. The GBP 2021 lists ten (10) categories of eligible green projects as follows:

- Renewable Energy	- Clean Transportation
- Energy Efficiency	- Sustainable Water and Wastewater Management
- Pollution Prevention and Control	- Climate Change Adaptation
- Environmentally Sustainable Management of Living Natural Resources and Land Use	- Circular Economy Adapted Products, Production Technologies and Processes
- Terrestrial and Aquatic Biodiversity	- Green Building

- **Process for Project Evaluation and Selection:** This articulates the process to determine projects to be funded. The GBP 2021 recommends that Issuers clearly communicate to investors, the environmental sustainability objectives of their eligible projects, the process by which they determine how the projects fit within the eligible green projects' categories and all complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)

- **Management of Proceeds:** This highlights the process of handling funds yet to be allocated to the eligible green project. The GBP 2021 recommends transparency in tracking the proceeds from the Green Bonds through either allocation to a sub-portfolio, or tracked by the Issuer in an appropriate manner, and attested to by the issuer in a formal internal process linked to the issuer's lending and investment operations for eligible green projects

- **Reporting:** This recommends frequency of reports on use of proceeds, project description, amount allocated and expected impact. The GBP 2021 recommends that Issuers maintain updated information on the use of proceeds to be renewed annually

To further provide assurance to investors about the integrity of the climate bonds and foster growth for investor demand in climate-related investment opportunities ultimately growing the green debt capital markets, Climate Bonds Initiative (CBI) (an international, investor-focused not-for-profit organisation) launched a Climate Bond Standard and Certification Scheme ("Scheme") for labelling bonds, loans, and other debt instruments.

A Green Bond is certified by CBI prior to its issuance after being assessed and verified to have met the Climate Bond Standard requirements. Upon certification, the bond Issuer is allowed to use the proof of certification in its Green Bond marketing effort.

According to CBI, the Scheme is used globally by Green Bond Issuers and the financial markets to prioritise investments which genuinely contribute to addressing climate change. The Scheme has therefore been instrumental in providing confidence in the green credentials of Green Bonds, which is essential to a sustainable market.⁴ prices.

⁴ <https://www.climatebonds.net/certification>

Green Bonds' Performance Globally

The image below illustrates the milestones of Green Bonds as of December 31, 2020, as published by the CBI.



According to a report published by the CBI in January 2021⁵, Green Bond issuance reach a record-breaking \$269.50 billion by the end of December 2020, a 60% average annual growth rate since 2015, surpassing the cumulative \$1.00 trillion milestone since its inception. Consequently, Moody's Investors Service ("Moody's") (a bond credit rating company) forecast⁶ that the global issuance of Green Bonds will hit \$375.00 billion in 2021, a 39% growth from the total issuance in 2020.

As a leading economy in Africa, Nigeria joined other nations in signing the Paris Agreement (a legally binding international treaty on climate change); and subsequently became the first country in Africa (fourth globally) to issue a sovereign Green Bond in 2017, demonstrating the country's commitment to contribute its quota towards stemming the negative impact of climate change and the actualisation of the Sustainable Development Goals (SDGs). To date, the Federal Government of Nigeria has issued two (2) Green Bonds (in 2017 and 2019) totalling ₦25.69 billion tailored towards renewable energy, afforestation programs, climate mitigation and adaptation projects. Further, there have also been three (3) corporate Green Bond issuances totalling ₦29.80 billion representing the pioneer Climate Bond Initiative Certified Corporate Green Bond in Africa: **Access Bank PLC ₦15.00 billion 5-year 15.50% Fixed Rate Senior Unsecured Green Bond due 2024**, and the first Green Infrastructure Bonds in Nigeria: **North South Power Limited ₦8.50 billion 15-year 15.60% Series 1 Guaranteed Fixed Rate Senior Green Infrastructure Bond due 2034** and **₦6.33 billion 10-Year 12.00% Series 2 Fixed Rate Senior Green Bonds due 2031**.

⁵ <https://www.climatebonds.net/2021/01/record-2695bn-green-issuance-2020-late-surge-sees-pandemic-year-pip-2019-total-3bn>

⁶ https://www.moody.com/research/Moodys-Sustainable-bond-issuance-to-hit-a-record-650-billion--PBC_1263479

Conclusion

The increase in awareness on the impact of global warming and various human activities that can influence environmental and climate change has led institutional and retail investors globally to largely realise the importance of financing and investing in sustainable ways. It is in view of this that Green Bonds will continue to remain a fast-paced growing category of fixed income securities in the global financial markets.

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