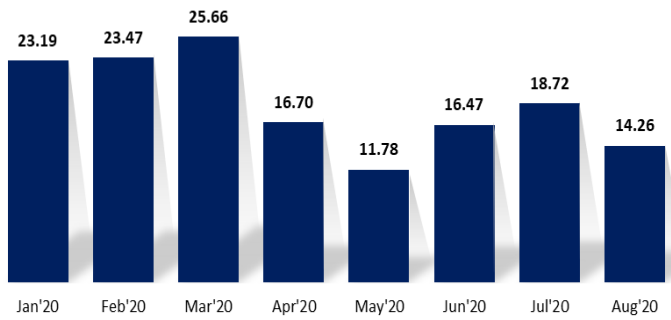
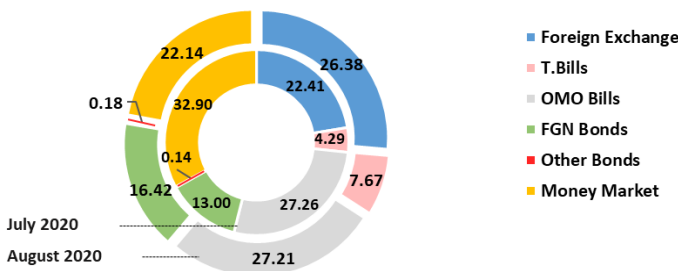


**Chart 1: FIC Market Turnover (₦'trn)**



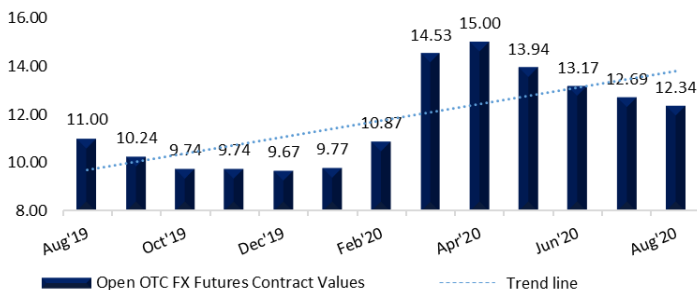
**Chart 2: FIC Market Turnover (%)**



**Table 1 - FX Market Turnover (\$'bn)**

Trade Type	Product Type	August	July	MoM Δ <sup>5</sup> (\$'bn)	MoM Δ (%)
Inter-Member*	FX Spot	0.93	0.96	(0.03)	(3.12)
	FX Forwards	0.00	0.00	0.00	N/A
	FX Swaps	0.15	0.26	(0.11)	(42.31)
	FX Futures	0.01	0.00	0.01	N/A
	Others**	0.52	0.33	0.19	57.58
	FX Derivatives	0.68	0.59	0.09	15.25
	<b>Total</b>	<b>1.61</b>	<b>1.55</b>	<b>0.06</b>	<b>3.87</b>
Member-Client	FX Spot	1.53	1.93	(0.40)	(20.73)
	FX Forwards	0.35	0.81	(0.46)	(56.79)
	FX Swaps	2.74	3.60	(0.86)	(23.89)
	FX Futures	1.10	0.88	0.22	25.00
	Others	0.24	0.29	(0.05)	(17.24)
	FX Derivatives	4.43	5.58	(1.15)	(20.61)
	<b>Total</b>	<b>5.96</b>	<b>7.51</b>	<b>(1.55)</b>	<b>(20.64)</b>
Member-CBN	FX Spot	0.25	0.27	(0.02)	(7.41)
	FX Forwards	0.37	0.49	(0.12)	(24.49)
	FX Swaps	0.25	0.00	0.25	N/A
	FX Futures	1.22	1.00	0.22	22.00
	Others	0.10	0.00	0.10	N/A
	FX Derivatives	1.94	1.49	0.45	30.20
	<b>Total</b>	<b>2.19</b>	<b>1.76</b>	<b>0.43</b>	<b>24.43</b>
<b>Total Turnover</b>	<b>9.76</b>	<b>10.82</b>	<b>(1.06)</b>	<b>(9.80)</b>	

**Chart 3: Trend in Open OTC FX Futures Contract Values (\$'bn)**



**Notes:**  
 \*Member - All references to Member means Dealing Member (Banks); Inter-Member Turnover reported includes both sides of the transaction; \*\*Others includes Options & Cross Currency Interest Rate Swaps.

1: Month-on-Month; 2: Year-on-Year, 3: Year-to-Date; 4: Open Market Operations; 5: This refers to the OTC FX Futures Contract that is closest to its maturity date at any given time; 6: Change; 7: Treasury Bills; 8: Federal Government of Nigeria

## FIC Market Summary

- Turnover in the Fixed Income and Currency (“FIC”) markets for the month ended August 31, 2020 was ₦14.26trn, indicating a MoM<sup>1</sup> decrease of 23.82% (₦4.46trn) from the turnover recorded in July 2020 (₦18.72trn) (See Chart 1), and a YoY<sup>2</sup> decrease of 38.56% (₦8.95trn) from the turnover recorded in August 2019 (₦23.21trn). The YTD<sup>3</sup> turnover as at August 31, 2020, was c.₦150.25trn, representing a YoY decrease of 5.38% (₦8.54trn) on the YTD turnover of ₦158.79trn recorded as at August 31, 2019
- OMO<sup>4</sup> bills and Foreign Exchange transactions were the highest contributors to the FIC markets in August 2020, jointly accounting for 53.58% of the total FIC market turnover. (See Chart 2)

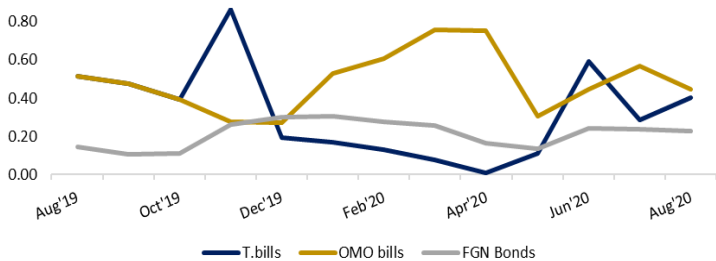
## Foreign Exchange (“FX”) Market

- Total FX market turnover in August 2020 was \$9.76bn (₦3.76trn), representing a MoM decrease of 9.80% (\$1.06bn) from the turnover recorded in July 2020 \$10.82bn (₦4.20trn). (See Table 1)
- Analysis of FX market turnover indicates that FX Derivatives decreased MoM by 7.96% (\$0.61bn) whilst FX Spot turnover decreased by 14.24% (\$0.45bn) in August 2020 (See Table 1) as the current liquidity challenges in the FX market persisted
- In the OTC FX Futures market, the near month contract<sup>5</sup> (NGUS AUG 26 2020) with a total outstanding notional value of \$1.58bn matured and was settled, whilst a new long-term (60-month) contract, NGUS AUG 27 2025 was introduced at a rate of \$/₦590.10. The total notional value (“NV”) of open OTC FX Futures contracts as at August 31, 2020 stood at c.\$12.34bn, representing a 2.76% (\$0.35bn) decrease on the NV of open contracts as at July 29, 2020 (c.\$12.69bn), and continuing the downward trend in the NV of open contracts since May 2020 (See Chart 3). However, the total NV of OTC FX Futures contracts traded since inception crossed the \$50.00bn mark, reaching \$50.09bn as at August 31, 2020
- The Central Bank of Nigeria (“CBN”) Official Spot US\$/₦ exchange rate closed at an average of \$/₦380.43 in August 2020, representing a 0.86% (\$/₦3.24) decrease in exchange rate from \$/₦377.19 recorded in July 2020. At the Investors’ and Exporters’ (“I&E”) FX Window, the Naira appreciated against the US Dollar, gaining 0.31% (\$/₦1.22) to close at an average of \$/₦386.26 in August 2020 from \$/₦387.48 recorded in July 2020. Conversely, in the parallel market, the Naira depreciated against the US Dollar losing 1.63% (\$/₦7.62) to close at an average of \$/₦475.29 in August 2020 from \$/₦467.67 recorded in July 2020

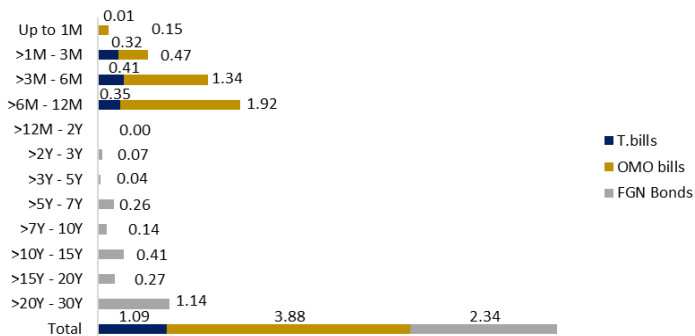
## Fixed Income (“FI”) Market (T.bills<sup>7</sup>, OMO bills and FGN<sup>8</sup> Bonds)

- In the primary market, average discount rates for the 91-day, 182-day and 364-day T.bills decreased MoM by 23 basis points (“bps”), 35bps and 18bps to 1.20%, 1.39% and 3.20% respectively in August 2020. Similarly, the discount rates for OMO bills decreased MoM by an average of 6bps to close at a range of 4.90% - 8.94% in August 2020
- In the primary market for sovereign bonds, the marginal rates for the 10-year FGN Bond issued increased by 70bps to 6.70% in August 2020 whilst those of the 15-year, 25-year and 30-year FGN Bonds decreased by 15bps, 5bps and 5bps to 9.35%, 9.75% and 9.90% respectively in August 2020, compared to the marginal rates for issuances in July 2020
- The total value of T.bills and OMO bills outstanding as at August 31, 2020 decreased MoM by 2.13% (₦0.06trn) and 4.93% (₦0.44trn) to ₦2.76trn and ₦8.49trn respectively, whilst the total value of FGN Bonds outstanding as at August 31, 2020 increased MoM by 1.16% (₦0.12trn) to ₦10.43trn, indicating a c.₦0.08trn MoM increase in local public debt to c.₦13.56trn as at August 31, 2020

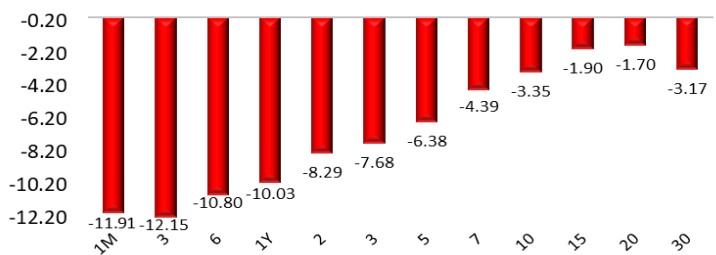
**Chart 4: Trend in Trading Intensity**



**Chart 5: Fixed Income Turnover - August 2020 (₦'trn)**



**Chart 6: Inflation Adjusted Yield as at August 31, 2020 ^ (%)**



**Table 2 - Money Market Turnover (₦'trn)**

	Aug-20	Jul-20	MoM Δ (₦'trn)	MoM Δ (%)	Aug-19	YoY Δ (₦'trn)	YoY Δ (%)
Repos/Buy-Backs	3.04	6.07	(3.03)	(49.92)	3.42	(0.38)	(11.11)
Unsecured Placements / Takings	0.12	0.09	0.03	33.33	0.09	0.03	33.33
<b>Total</b>	<b>3.16</b>	<b>6.16</b>	<b>(3.00)</b>	<b>(48.70)</b>	<b>3.51</b>	<b>(0.35)</b>	<b>(9.97)</b>

**Table 3 - Market Activity - Executed Trade Count**

	August			July			MoM Δ (%)
	AFO <sup>13</sup>	RFQ <sup>14</sup>	Total	AFO	RFQ	Total	
T.bills	0	673	673	5	515	520	29.42
OMO bills	2	1,801	1,803	7	1,403	1,410	27.87
FGN Bonds	34	2,411	2,445	53	2,514	2,567	(4.75)
<b>Total</b>	<b>36</b>	<b>4,885</b>	<b>4,921</b>	<b>65</b>	<b>4,432</b>	<b>4,497</b>	<b>9.43</b>

**Notes:**

^ Adjusted with the August 2020 Headline Inflation rate of 13.22%

9: 1M – 1Y; 10: 2Y – 30Y; 11: Overnight; 12: Open Buy-back; 13: Anonymous Firm Order; 14: Request-for-Quote

- Turnover for T.bills increased by 36.25% (₦0.29trn) to ₦1.09trn, resulting in an increase in trading intensity to 0.40 in August 2020 from 0.29 in July 2020. Conversely, OMO bills turnover decreased MoM by 23.92% (₦1.22trn) to ₦3.88trn in August 2020, resulting in the decrease in trading intensity to 0.44 (0.57 in July 2020), while FGN Bonds turnover decreased MoM by 3.70% (₦0.09trn) to ₦2.34trn, resulting in a marginal decrease in its trading intensity to 0.23 (0.24 in July 2020). (See Chart 4)
- In August 2020, OMO bills within the >6M – 12M maturity bucket was the most traded across all tenors in the Fixed Income market, accounting for 26.23% (₦1.92trn) of the total Fixed Income market turnover. T.bills within the >3M – 6M maturity bucket was the most traded across short-term tenors<sup>9</sup>, accounting for 5.60% (₦0.41trn) of the total Fixed Income market turnover, whilst FGN Bonds within the >20Y – 30Y maturity bucket was the most traded across medium to long term tenors<sup>10</sup>, accounting for 15.57% (₦1.14trn) of the total Fixed Income market turnover. (See Chart 5)
- Weighted average yields on short-term and medium-term maturities increased MoM by 3.98% and 1.59% respectively in August 2020, while the weighted average yields on long-term maturities decreased by 0.99%. Additionally, inflation-adjusted yields remained negative across the short, medium and long-term tenors in August 2020. (See Chart 6)

**Money Market [Repurchase Agreements (“Repos”)/Buy-Backs and Unsecured Placements/Takings]**

- Total turnover in the Money Market segment decreased MoM and YoY by 48.70% (₦3.00trn) and 9.97% (₦0.35trn) respectively to a total of ₦3.16trn in August 2020. This was driven by the MoM and YoY decreases of 49.92% (₦3.03trn) and 11.11% (₦0.38trn) respectively in Repos/Buy-Backs turnover to ₦3.04trn in August 2020 possibly due to increase in inter-bank liquidity from net redemption of ₦0.44trn in OMO bills in August 2020, whilst turnover in Unsecured Placements/Takings increased MoM and YoY by 33.33% (₦0.03trn) to ₦0.12trn in August 2020 (See Table 2). Consequently, average O/N<sup>11</sup> and OBB<sup>12</sup> rates decreased by 189bps and 178bps to close at 8.60% and 7.75% respectively in August 2020 from 10.49% and 9.53% recorded in July 2020

**Market Surveillance**

- Total number of executed trades reported on the Bloomberg E-Bond Trading System in August 2020 was 4,921, representing a MoM increase of 9.43% (424) from the number of executed trades recorded in July 2020 (4,497). This was driven by the MoM increase recorded across executed trades on T.bills and OMO bills whilst executed trades on FGN Bonds recorded a MoM decrease of 4.75% (122) in August 2020. (See Table 3)