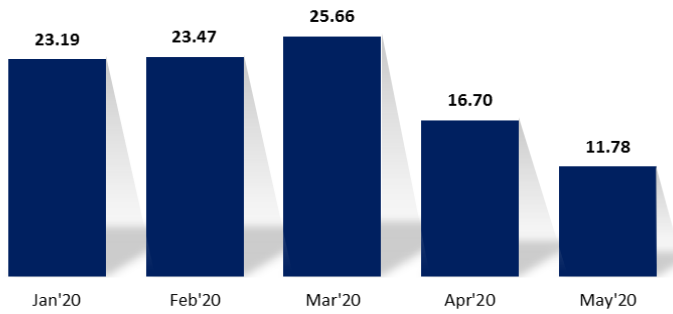
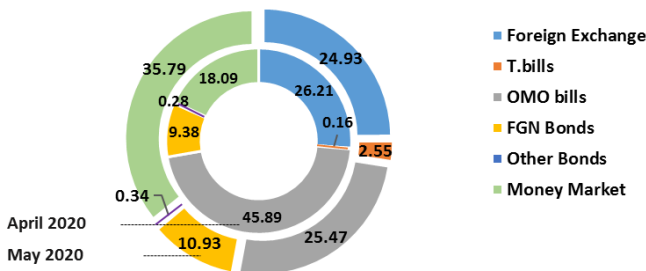


**Chart 1: FIC Market Turnover (₦'trn)**



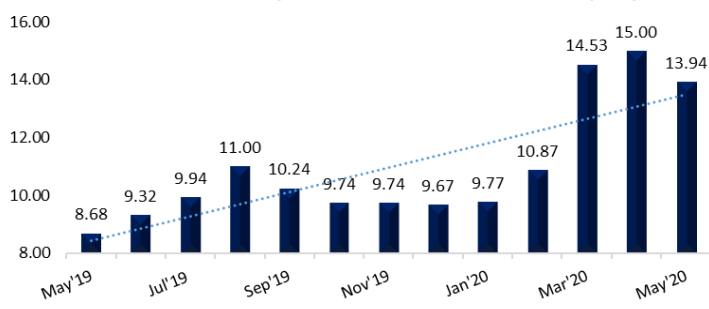
**Chart 2: FIC Market Turnover (%)**



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

Trade Type	Product Type	May	April	MoM Δ <sup>5</sup> (\$'bn)	MoM Δ (%)	March	Prior MoM Δ (\$'bn)
Inter-Member*	FX Spot	0.48	0.75	(0.27)	(36.00)	1.27	(0.52)
	FX Forwards	0.01	0.01	0.00	0.00	0.02	(0.02)
	FX Swaps	0.07	0.31	(0.24)	(77.42)	0.60	(0.29)
	FX Futures	0.00	0.01	(0.01)	(100.00)	0.02	0.00
	Others**	0.32	0.29	0.03	10.34	1.04	(0.74)
	FX Derivatives	0.40	0.62	(0.22)	(35.48)	1.67	(1.06)
	<b>Total</b>	<b>0.88</b>	<b>1.36</b>	<b>(0.49)</b>	<b>(36.03)</b>	<b>2.94</b>	<b>(1.58)</b>
Member-Client	FX Spot	1.62	1.91	(0.29)	(15.18)	7.66	(5.75)
	FX Forwards	0.36	0.58	(0.22)	(37.93)	0.70	(0.11)
	FX Swaps	1.32	1.99	(0.67)	(33.67)	3.29	(1.30)
	FX Futures	1.18	2.07	(0.89)	(43.00)	3.01	(0.93)
	Others	0.23	0.24	(0.01)	(4.17)	0.26	(0.02)
	FX Derivatives	3.09	4.89	(1.79)	(36.61)	7.25	(2.36)
	<b>Total</b>	<b>4.71</b>	<b>6.81</b>	<b>(2.08)</b>	<b>(30.54)</b>	<b>14.91</b>	<b>(8.11)</b>
Member-CBN	FX Spot	0.32	0.16	0.16	100.00	5.01	(4.85)
	FX Forwards	0.31	0.49	(0.18)	(36.73)	0.92	(0.44)
	FX Swaps	0.00	0.00	0.00	0.00	0.00	0.00
	FX Futures	1.40	2.34	(0.94)	(40.17)	4.24	(1.89)
	Others	0.00	0.20	(0.20)	(100.00)	0.90	(0.70)
	FX Derivatives	1.71	3.03	(1.32)	(43.56)	6.06	(3.03)
	<b>Total</b>	<b>2.03</b>	<b>3.19</b>	<b>(1.16)</b>	<b>(36.36)</b>	<b>11.07</b>	<b>(7.89)</b>
<b>Total Turnover</b>	<b>7.62</b>	<b>11.36</b>	<b>(3.74)</b>	<b>(32.92)</b>	<b>28.92</b>	<b>(17.57)</b>	

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



**Notes:**  
\*Member - All references to Member means Dealing Member (Banks); \*\*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: Change; 6: Treasury Bills; 7: Federal Government of Nigeria

**FIC Market Summary**

- Turnover in the Fixed Income and Currency (“FIC”) markets for the month ended May 29, 2020 was ₦11.78trn, indicating a MoM<sup>1</sup> decrease of 29.46% (₦4.92trn) from the turnover recorded in April 2020 (₦16.70trn) (See Chart 1), and a YoY<sup>2</sup> decrease of 42.51% (₦8.71trn) from the turnover recorded in May 2019 (₦20.49trn). The turnover recorded in the FIC markets in May 2020 represents the lowest turnover recorded since January 2018 (₦11.71trn). However, YTD<sup>3</sup> turnover increased to ₦100.80trn representing a YoY increase of 0.70% (₦0.70trn) on the YTD turnover of ₦100.10trn recorded in May 2019
- Money Market i.e. Repurchase Agreements (“Repos”) & Unsecured Placements transactions and OMO<sup>4</sup> bills jointly accounted for 61.26% of the total FIC market turnover recorded in May 2020, as Money Market transactions (mainly Repos) replaced Foreign Exchange (“FX”) as the highest contributor to FIC markets turnover in May 2020, compared to April 2020. (See Chart 2)

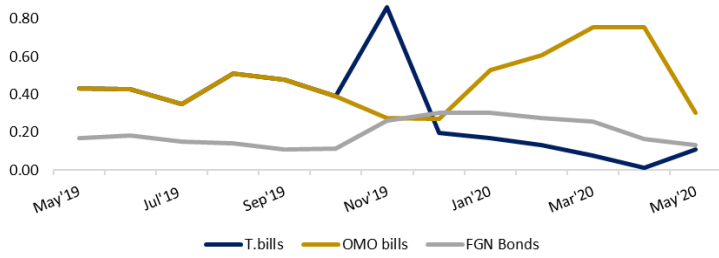
**FX Market**

- Total FX market turnover in May 2020 was \$7.62bn (₦2.94trn), representing a MoM decrease of 32.92% (\$3.74bn) from the turnover recorded in April 2020 (\$11.36bn; ₦4.38trn), continuing the recent downward trend in FX turnover since April 2020, albeit at a slower rate than the MoM decrease recorded in April 2020 (60.72%; \$17.57bn). (See Table 1)
- Analysis of FX market turnover indicated a general decrease in FX market activity by trade type, with Member-Client trades accounting for 55.61% (\$2.08bn) of the total MoM decrease in FX turnover, while FX Derivatives accounted for 89.30% (\$3.34bn) of the total MoM decrease in FX turnover by product type in May 2020. However, it is noteworthy to mention that the turnover for Member-CBN FX Spot trades increased by 100.00% MoM from \$0.16bn in April 2020 to \$0.32bn in May 2020. (See Table 1)
- In the OTC FX Futures market, the near month contract (NGUS MAY 27 2020) with a total outstanding notional value of \$2.51bn expired and was settled, whilst a new far month (60-month) contract, NGUS MAY 28 2025 was introduced at a contract rate of \$/₦584.11. The total notional value of open OTC FX Futures contracts as at May 29, 2020 stood at c.\$13.94bn, representing a 7.07% (\$1.06bn) decrease on the value of open contracts as at April 30, 2020 (c.\$15.00bn) (See Chart 3), while the total notional value of OTC FX Futures contracts traded since inception stood at \$46.80bn as at May 29, 2020
- The average CBN Official Spot US\$/₦ exchange rate remained flat at \$/₦361.00 in May 2020 compared to the average rate recorded in April 2020, while the Naira depreciated against the US Dollar at the Investors’ and Exporters’ (“I&E”) FX Window, losing \$/₦1.18 (average of \$/₦384.99 in April 2020) to close at an average of \$/₦386.17 in May 2020. In the parallel market, the Naira depreciated against the US Dollar losing \$/₦22.37 (average of \$/₦426.35 in April 2020) to close at an average of \$/₦448.72 in May 2020

**Fixed Income (“FI”) Market (T.bills<sup>6</sup>, OMO bills and FGN Bonds)**

- In the primary market, average discount rates on the 91-day T.bill increased by 49 basis points (“bps”) to 2.48% in May 2020, representing the first (1<sup>st</sup>) time discount rates have increased since October 2019 when the CBN effectively bifurcated the bills (T.bills and OMO bills) segment of the FI market. However, the average discount rates on the 182-day and 364-day T.bills declined further by 2bps and 12bps to 2.79% and 3.93% respectively in May 2020, while there were no new OMO bills issuances in May 2020
- The coupon rates for newly issued 5-year and 30-year FGN Bonds increased by 20bps and 10bps to 9.20% and 12.60% respectively in May 2020, compared to the coupon rates for issuances in April 2020. Conversely, the coupon rate on the 15-year FGN Bond decreased by 30bps to 11.70% in May 2020
- As at May 29, 2020, the total value of T.bills and FGN Bonds outstanding was ₦2.76trn and ₦10.03trn, representing MoM increases of 4.15% (₦0.11trn) and 4.05% (₦0.39trn) respectively, while the total value of OMO bills outstanding was ₦9.52trn representing a MoM decrease of 4.23% (₦0.42trn) from ₦9.94trn as at April 30, 2020

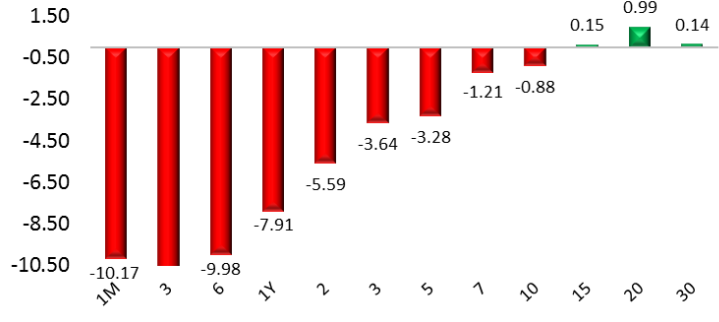
**Chart 4: Trend in Trading Intensity**



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



**Chart 6: Inflation Adjusted Yield as at May 29, 2020 ^ (%)**



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

	May-20	Apr-20	MoM Δ (₦'trn)	MoM Δ (%)	May-19	YoY Δ (₦'trn)	YoY Δ (%)
Repos/Buy-Backs	4.00	2.97	1.03	34.68	4.63	(0.63)	(13.61)
Unsecured Placements / Takings	0.22	0.05	0.17	340.00	0.22	0.00	0.00
<b>Total</b>	<b>4.22</b>	<b>3.02</b>	<b>1.20</b>	<b>39.74</b>	<b>4.85</b>	<b>(0.63)</b>	<b>(12.99)</b>

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

	May-20			Apr-20			MoM Δ (%)	May-19 Total	YoY Δ (%)
	AFO <sup>10</sup>	RFQ <sup>11</sup>	Total	AFO	RFQ	Total			
Bills	27	1,941	1,968	41	2,737	2,778	(29.16)	13,219	(85.11)
FGN Bonds	31	1,221	1,252	89	1,607	1,696	(26.18)	1,726	(27.46)
<b>Total</b>	<b>58</b>	<b>3,162</b>	<b>3,220</b>	<b>130</b>	<b>4,344</b>	<b>4,474</b>	<b>(28.03)</b>	<b>14,945</b>	<b>(78.45)</b>

**Notes:**

^ Adjusted with the April 2020 Headline Inflation rate

8: Overnight; 9: Open Buy-back; 10: Anonymous Firm Order; 11: Request-for-Quote

- In the secondary market, turnover for T.bills increased significantly by 900.00% (₦0.27trn) to ₦0.30trn, thus trading intensity for T.bills increased to 0.11 in May 2020 from 0.01 in April 2020, representing the first (1<sup>st</sup>) MoM increase in trading intensity in 2020. Conversely, OMO bills and FGN Bonds turnover decreased MoM by 60.89% (₦4.67trn) and 17.83% (₦0.28trn) to ₦3.00trn and ₦1.29trn respectively in May 2020, resulting in the decline in their respective trading intensities to 0.30 and 0.13 in May 2020 from 0.75 and 0.16 in April 2020
- Trading intensity for bills (T.bills and OMO bills combined) increased YoY to 0.52 in May 2020 from 0.43 in April 2020 whilst that of FGN Bonds declined to 0.13 in May 2020, compared to 0.17 recorded in May 2019. (See Chart 4)
- In May 2020, bills within the 6M – 12M maturity bucket remained the most traded across all tenors on the sovereign yield curve, accounting for 72.33% of the total Fixed Income market turnover. FGN Bonds within the 20Y – 30Y maturity bucket remained the most traded debt capital market securities, accounting for 6.97% of total Fixed Income market turnover. (See Chart 5)
- Weighted average yields on short and medium-term maturities increased by 28.69% and 0.80% respectively in May 2020, while the weighted average yields on long-term maturities decreased by 1.03% in May 2020. Additionally, inflation-adjusted yield remained negative across the short to medium-term securities (1M – 5Y), while long-term securities (i.e. 7Y – 30Y), excluding the 7Y and 10Y securities recorded positive inflation-adjusted yields in May 2020. (See Chart 6)

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

- In May 2020, total turnover in the Money Market segment increased MoM by 39.74% (₦1.20trn) to ₦4.22trn, jointly driven by the 34.68% and 340.00% MoM increases in Repos/Buy-Backs and Unsecured Placements/Takings turnover to ₦4.00trn and ₦0.22trn respectively. However, Money Market turnover in May 2020 represented a YoY decrease of 12.99% (₦0.63trn) on the turnover recorded in May 2019, due to the YoY decrease of 13.61% (₦0.63trn) in the Repos/Buy-Backs turnover (See Table 2)
- Average O/N<sup>8</sup> rates increased by 11bps to close at an average of 5.85% in May 2020 from 5.74% recorded in April 2020. Conversely, average OBB<sup>9</sup> rates decreased by 2bps to close at an average of 5.13% in May 2020 from 5.15% recorded in April 2020

**Market Surveillance**

- Total number of executed trades reported on the Bloomberg E-Bond Trading System in May 2020 was 3,220, representing a MoM and YoY decrease of 28.03% (1,254) and 78.45% (11,725) from the number of executed trades recorded in April 2020 (4,935) and May 2019 (14,945) respectively, as a result of the general decline in market activity due to the impact of the Coronavirus Disease (“COVID-19”) pandemic on economic activity