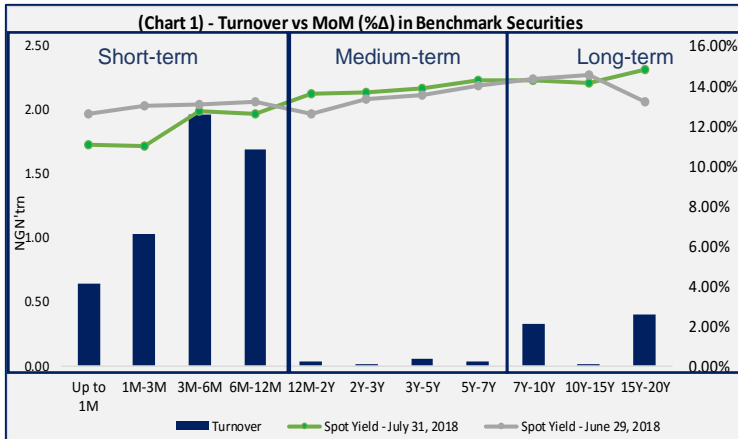


(Table 1) - FX MARKET TURNOVER (\$'bn)

	July	June	MoM Δ ² (\$'bn)	MoM Change Δ (%)
Inter-Member*				
FX Spot	1.59	2.53	-0.93	-36.95
FX Swaps	0.37	0.41	-0.05	-11.50
FX Futures	0.00	0.00	0.00	0.00
Others**	0.02	0.01	0.01	93.38
Total	1.99	2.98	-1.00	-33.36
Member-Clients				
FX Spot	4.80	7.39	-2.59	-35.07
FX Swaps	1.33	1.57	-0.25	-15.65
FX Futures	0.39	1.55	-1.15	-74.65
Others	0.40	0.38	0.02	5.38
Total	7.16	11.21	-4.06	-36.18
Member-CBN				
FX Spot	1.50	2.22	-0.73	-32.62
FX Swaps	0.20	0.00	0.20	0.00
FX Futures	0.40	1.67	-1.27	-75.98
Others	0.76	1.05	-0.30	-28.11
Total	3.47	5.60	-2.14	-38.11
Total Turnover	12.61	19.80	-7.19	-36.30



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

	July	June	MoM Δ (₦'bn)	MoM Δ (%)
Repurchase Agreement/Buy backs	2,442.08	2,321.02	121.06	5.22
Unsecured Placement/Takings	29.81	42.66	-12.85	-30.11
Total	2,471.89	2,363.68	108.21	4.58

(Table 3) - MARKET ACTIVITY - EXECUTED TRADE COUNT

	July			June			MoM Δ (%)
	AFO ⁹	RFQ ¹⁰	Total	AFO	RFQ	Total	
T.bills	1,250	11,529	12,779	705	10,706	11,411	11.99%
FGN bonds	414	1,344	1,758	411	1,279	1,690	4.02%
Total	1,664	12,873	14,537	1,116	11,985	13,101	10.96%

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-to-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 July 31, 2018 was ₦13.09trn (₦17.23trn in June), representing a 23.99% (₦4.13trn) MoM¹ decline and a 13.53% (₦1.56trn) YoY² increase. MoM turnover largely declined across all segments of the FIC market, excluding the Repurchase Agreement/Buy-Backs market which recorded a 5.22% (₦0.12trn) MoM increase in July
- The Treasury bills (T.bills) and Foreign Exchange (FX) segments remained the major drivers of turnover in the FIC market, jointly accounting for 74.26% of total turnover in July, albeit a 5.09 percentage points (ppts) decline from their levels of contribution in June

FX Market

- Total FX market turnover in July was \$12.61bn, a 36.31% (\$7.19bn) decline from the turnover recorded in June (\$19.80bn). Turnover at the Investors & Exporters (I&E) FX Window in July was \$3.39bn, representing a 13.74% (\$0.54bn) MoM decline from the value recorded in June (\$3.93bn). Despite the MoM decline in turnover at the I&E FX Window, its contribution to total FX market turnover increased from 19.85% in June to 26.88% in July, bringing the total YTD³ turnover at the I&E FX Window to \$33.67bn
- Analysis of FX turnover by trade type showed a similar MoM trend to the total FX Market turnover in July, with Member-CBN⁴ trades recording the highest MoM Percentage decline of 38.11% (\$2.14bn), while Member-Clients trades recorded the highest MoM decline in value of \$4.06bn from \$11.21bn in June to \$7.16bn in July (see table 1)
- Analysis of contribution to total FX turnover by trade type indicated Member-Client and Member-CBN trades remained the major drivers of turnover. However, the contribution of Member-CBN trades declined marginally by 0.76ppts to 27.52%, while the contribution of Inter-Member and Member-Client trades to total FX turnover increased marginally by 0.73ppts and 0.16ppts to 15.78% and 56.78% respectively
- In line with the MoM trend in the FX market, analysis by product type showed that turnover in FX Spot and Derivatives declined MoM by 35.01% (\$4.25bn) and 41.85% (\$2.78bn) respectively. In July, the 25th Naira-settled OTC FX Futures contract (NGUS JUL 25, 2018) with a total open contract size of \$405.66mm, matured and was settled on FMDQ, whilst a new 12-month open contract (NGUS JUL 24, 2019) for \$1.00bn at \$/₦363.58 was introduced by the CBN to replace the matured contracts
- In July, the USD/NGN rate in the parallel market appreciated by \$/₦2.00 to close the month at \$/₦360.00 (from \$/₦362.00 as at June 29, 2018), while the Naira depreciated at the I&E FX Window, losing \$/₦1.08 to close the month at \$/₦362.40 (from \$/₦361.22 as at June 29, 2018), resulting in the closing USD/NGN rate at the parallel market being ₦2.40 lower than the USD/NGN rate at the I&E FX Window for the first time in 2018. Similarly, the CBN Official Spot rate also depreciated in July, losing \$/₦0.15 to close at \$/₦305.90 (from \$/₦305.75 as at June 29, 2018)

Fixed Income Market (T.bills and FGN⁶ bonds)

- In July, the total turnover in the fixed income (FI) market was ₦6.16trn, representing a 21.54% (₦1.69trn) MoM decline from the turnover reported in June. Turnover in the T.bills market recorded a MoM decline of 21.06% (₦1.40trn) while turnover in the FGN Bonds market declined MoM by 24.28% (0.29trn)
- Total T.bills outstanding as at July 31, 2018, stood at ₦13.47trn, representing a 2.13% (₦0.29trn) MoM decline, driven by the continued redemption of T.bills in the month of July. Conversely, total FGN Bonds outstanding increased marginally by 0.86% (₦0.07trn) MoM to close at ₦7.90trn evidencing the FGN's continued stance to refinance some of its short-term obligations with longer term instruments
- Monthly Trading Intensity in the T.bills and FGN Bonds markets declined from 0.48 and 0.15 in June, to 0.39 and 0.11 in July respectively. T.bills within the 3-6 months maturity bracket remained the most actively traded, accounting for 31.92% of the total FI market turnover in July
- Weighted average yields across the short and long-term maturities on the sovereign yield curve both increased by 1.08ppts, 0.05ppts respectively, while the weighted average yield across the medium-term maturity declined by and 0.05ppts respectively (see chart 1)
- Yield spread between the 3-month T.bills and the 10-year FGN Bond increased by 193bps to close at a 3.25% in July

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

- Turnover recorded in the Unsecured Money Market (i.e. Repos/Buy-Backs) was ₦2.44trn for July, representing a 5.22% (₦0.12trn) MoM increase from the value recorded in June (₦2.32trn) and a 94.62% YoY increase on the turnover recorded in July 2017
- Conversely, Unsecured Placements/Takings closed the month with a turnover of ₦29.81bn, representing a 30.11% (₦12.85bn) MoM decline on the turnover recorded in June (₦42.66bn), and a YoY decline of 79.71% (₦117.09bn)
- Average O/N⁷ NIBOR⁸ declined by 0.26ppts to close at 12.33% in July from 12.60% reported for June, 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 July was 14,537, representing a MoM increase of 1,436 in the number of executed trades, as total executed trades in T.bills and FGN bonds increased by 1,368 (11.99%) and 68 (4.02%) respectively in July 2018 (see table 3)