OTC Monthly

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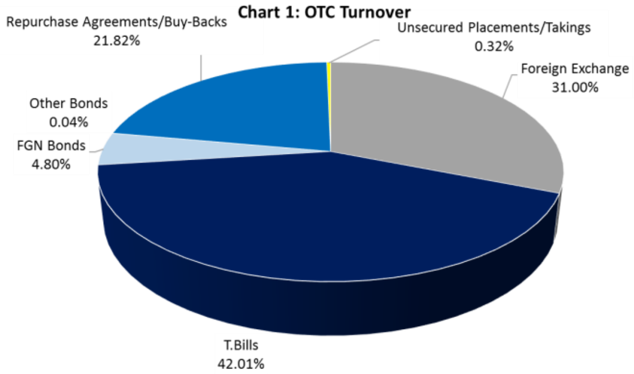
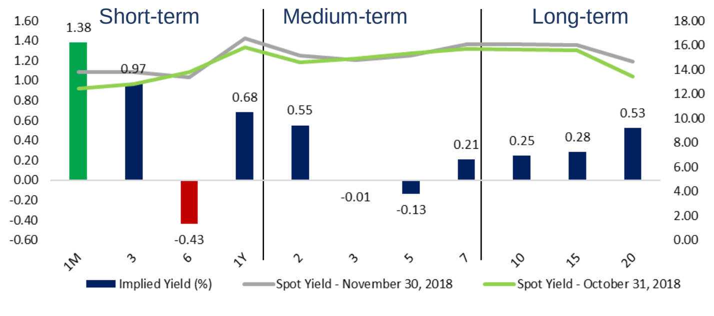


(Table 1) - FX MARKET TURNOVER ($'bn)		November	October	MoM Δ[5] ($'bn)	MoM Δ (%)
Inter-Member*	FX Spot	1.76	1.68	0.08	4.62%
	FX Swaps	0.44	0.41	0.03	7.33%
	FX Futures	0.00	0.00	0.00	0.00%
	Others**	0.05	0.03	0.02	52.07%
	Total	**2.25**	**2.13**	**0.13**	**5.91%**
Member-Clients	FX Spot	2.88	4.99	-2.11	-42.22%
	FX Swaps	1.95	1.16	0.80	69.05%
	FX Futures	0.38	0.20	0.18	89.32%
	Others	0.89	0.81	0.08	9.86%
	Total	**6.10**	**7.15**	**-1.05**	**-14.70%**
Member-CBN	FX Spot	2.06	2.04	0.02	1.10%
	FX Swaps	0.00	0.00	0.00	0.00%
	FX Futures	0.63	0.39	0.24	63.04%
	Others	2.25	1.83	0.42	22.93%
	Total	**4.94**	**4.26**	**0.69**	**16.10%**
Total Turnover		**13.30**	**13.54**	**-0.24**	**-1.77%**

Chart 2: Benchmark Securities' Implied Yield Change (%)



(Table 2) - Money Market Turnover (₦'bn)	Nov-18	Oct-18	MoM Δ (₦'bn)	MoM Δ (%)	Nov-17	YoY Δ (N)	YoY Δ (%)
Repos/Buy-Backs	4,245.55	2,639.54	1,606.02	60.84%	3,417.27	828.28	24.24%
Unsecured Placements / Takings	63.08	66.90	-3.82	-5.71%	226.46	-163.38	-72.14%
Total	4,308.63	2,706.44	1,602.19	59.20%	**3,643.73**	**664.90**	**18.25%**

(Table 3) - MARKET ACTIVITY - EXECUTED TRADE COUNT	November			October			MoM Δ (%)
	AFO[9]	RFQ[10]	Total	AFO	RFQ	Total	
T.bills	951	11,706	12,657	786	8,720	9,506	**33.15%**
FGN bonds	229	1,293	1,522	230	979	1,209	**25.89%**
Total	**1,180**	**12,999**	**14,179**	**1,016**	**9,699**	**10,715**	**32.33%**

OTC Market Summary

- Turnover in the Fixed Income and Currency (FIC) market for the month ended November 30, 2018 was ₦19.45trn, representing a 45.69% (₦6.10trn) MoM[1] increase on the turnover of ₦13.35trn recorded in October, and a 31.01% (₦4.60trn) YoY[2] increase
- Treasury bills (T. bills) and Foreign Exchange (FX) remained the major drivers of turnover in the FIC market, jointly accounting for 73.01% of turnover in November, despite being lower by 0.97 percentage points (ppts) from their level of contribution in October (73.98%) *(see Chart 1)*

FX Market

- Total FX market turnover in November was $13.30bn, representing a 1.77% ($0.24bn) MoM decline from the turnover recorded in October ($13.54bn). Turnover at the Investors & Exporters (I&E) FX Window recorded a 38.36% ($1.50bn) MoM increase to close at $5.41bn from the $3.91bn recorded in October. YTD[3] turnover at the I&E FX Window closed at $54.80bn as at November 30, 2018
- The marginal decrease in FX turnover in November can be attributed to the 14.70% decline in Member-Clients trades which was only partly offset by the 5.91% and 16.10% increase in Inter-Member and Member-CBN[4] trades respectively *(see Table 1)*
- Analysis of FX turnover by product type showed that FX Spot was the main driver of the overall MoM decline in FX turnover, with a MoM decrease of 23.03% ($2.01bn). Contrastingly, FX Derivatives recorded a MoM increase of 36.60% ($1.77bn), driven mainly by a 52.84% rise in FX Swaps turnover. In November, the 29th Naira-settled OTC FX Futures Contract (NGUS NOV 28, 2018) with total open contract of $886.79mm matured and was settled on FMDQ, whilst a new 12-month Futures contract (NGUS NOV 27, 2019) with a notional principal of $1.00bn and futures price of $/₦366.60 was listed on the OTC Exchange
- In November, the Nigerian Naira depreciated against the US Dollar at the I&E FX Window, with $/₦ rate increasing by 56 kobo to close the month at $/₦ 364.10 (from $/₦363.54 recorded in October), while the CBN Official Spot rate depreciated by $/₦0.20 to close at $/₦306.80 (from $/₦306.60 recorded in October). The $/₦ rate at the Parallel market rate also depreciated between November and October by ₦8.00 to close at $/₦370.00 from $/₦362.00

Fixed Income Market (T. bills and FGN[6] Bonds)

- Total T. bills and FGN Bonds outstanding recorded MoM increases of ₦0.65trn and ₦0.04trn to close at ₦13.52trn and ₦8.25trn respectively as at November 30, 2018, mainly due to net issuances. Also, the split in sovereign debt between long and short-term debt as at November was 38:62 (long vs. short term), as against the planned ratio of 75:25 outlined in the Debt Management Strategy (2016 -2019)
- Monthly Trading Intensity in the T. bills and FGN Bonds markets increased from 0.40 and 0.09 in October, to 0.54 and 0.11 in November respectively. YTD trading intensity in both markets stood at 4.92 and 1.40 respectively compared to 6.24 and 1.28 as at the same period in 2017, suggesting more issuances and the growth in outstanding debt may have impacted trading on some securities in 2018. T. bills within the 1-3 months maturity bracket were the most actively traded in November, accounting for 42.13% of the total FI market turnover in November
- Weighted average yields on short, medium and long-term maturities on the sovereign yield curve rose by 0.66ppts, 0.07ppts and 0.60ppts respectively in November *(see Chart 2)*
- Yield spread between the 3-month T. bills and the 10-year FGN Bond decreased by 59 basis points (bps) to close at 2.27% in November (2.85% in October)

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

- Turnover recorded in the Repos/Buy-Backs segment of the Money Market was ₦4.25trn in November, representing a 60.98% (₦1.61trn) MoM increase from ₦2.64trn recorded in October, and a 24.24% (₦0.83trn) YoY increase from the turnover recorded in November 2017
- Similarly, Unsecured Placements/Takings closed the month with a turnover of ₦63.08bn, representing a 5.71% (₦3.82bn) MoM decrease from ₦66.90bn recorded in October, and a YoY decline of 72.14% (₦163.38bn) *(see Table 2)*
- Average O/N[7] NIBOR[8] decreased by 6.71ppts to close at 8.59% in November from 15.30% reported for October**,** indicating an increase in liquidity in the inter-bank market

Market Surveillance

- Total number of executed trades reported on the E-Bond Trading System in November was 14,179 representing a 32.33% (10,715) MoM increase in the number of trades executed, driven by a MoM increase in T. bills and FGN Bonds trades by 3,151 (33.15%) and 313 (25.89%) respectively (*see Table 3)*

Notes:
"Member*" All references to Member means Dealing Member (Banks); "Others**" includes 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

Enquiries: mdg@fmdqotc.com Phone: +234 -1-2778771, 2771719