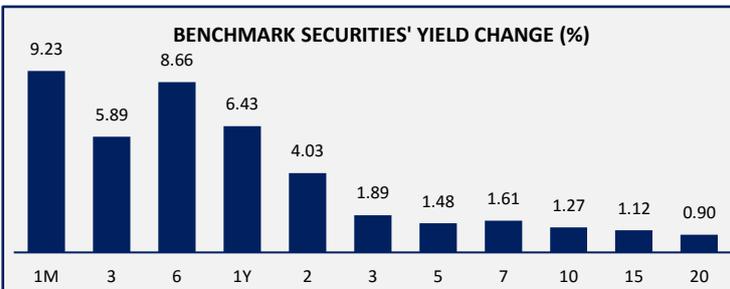
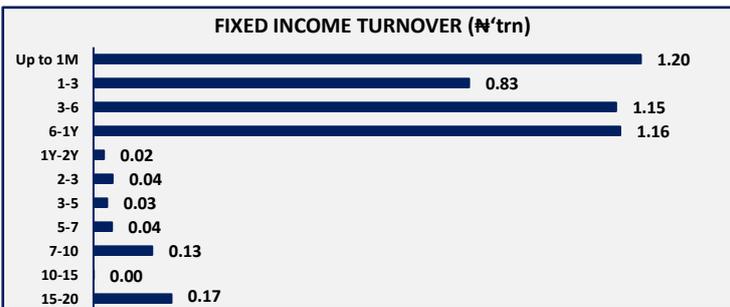


FX MARKET TURNOVER (\$'bn)

	July	June	MoM Change (\$)	MoM Change (%)
Member-Member				
FX Spot	1.25	0.76	0.50	65.69
FX Swaps	0.39	0.09	0.29	319.25
FX Futures	0.00	0.00	0.00	-
Others*	0.13	0.05	0.08	157.12
Total	1.80	0.90	0.90	99.94
Member-Client				
FX Spot	4.54	4.78	(0.23)	(4.87)
FX Swaps	1.13	1.26	(0.14)	(10.92)
FX Futures	0.74	0.00	0.74	-
Others*	1.28	0.57	0.71	122.97
Total	7.66	6.62	1.05	15.87
Total Turnover	9.46	7.51	1.95	25.92



MONEY MARKET TURNOVER (N'trn)

	July	June	Change (N)	Change (%)
Repurchase Agreements / Buy-Backs	3,951.85	2,484.99	1,466.87	59.03
Unsecured Placements / Takings	508.28	403.84	104.44	25.86
Total	4,460.14	2,888.82	1,571.31	54.39

MARKET ACTIVITY - EXECUTED TRADES

	July			June		
	AFO ⁷	RFQ ⁸	Total	AFO	RFQ	Total
T.bills	876	13,502	14,378	2,313	9,457	11,770
FGN bonds	1,237	868	2,105	1,175	942	2,117
Total	2,113	14,370	16,483	3,488	10,399	13,887

OTC Market Summary

- Turnover of transactions carried out in the Fixed Income and Currency (FIC) markets for the month of July 2016 amounted to N12.74trn; an increase of 36.13% (N3.38trn) over the value recorded in June and a decline of 7.00% (N0.96trn) YoY¹
- Activities in the Treasury bills (T.bills) market remained dominant, accounting for 33.62% (June – 38.14%) of total turnover while Secured Money Market (Repurchase Agreements (Repos)/Buy-Backs) logged in second, accounting for 31.02% (June – 26.50%)
- Total Foreign Exchange (FX) market transactions accounted for 27.52% (June – 26.07%), while FGN² bonds and Unsecured Placements/Takings accounted for 3.79% (June – 4.85%), and 3.99% (June – 4.34%) of the total turnover respectively

FX Market

- Transactions in the FX market amounted to \$9.46bn³ in July, an increase of 25.92% (\$1.95bn) compared with the value recorded in June. YoY turnover in the FX market declined by 39.96% (\$6.30bn)
- The first Naira-settled OTC FX Futures contract - NGUS JUL 27 2016 priced at \$/N279.00 - matured in the month of July with a total settlement amount of N962.23mm paid out to counterparties on a total notional value of c.\$26.73mm
- The CBN⁴ also revised the rates on each of the remaining contracts whilst a new 12-month contract - NGUS JUL 19 2017 - was also introduced
- Member-Member trades stood at \$1.80bn in July (June: \$0.90bn), accounting for 18.97% of turnover in the FX market. Member-Client trades increased by 15.87%, recording \$7.66bn in value
- The Naira depreciated by 12.18% to close at \$/N321.16 for the month whilst the parallel market depreciated by 6.72% to close at \$/N372.00

Fixed Income Market (T.bills and FGN Bonds)

- Turnover in the Fixed Income market came to N4.77trn, 18.47% (N0.74trn) higher than the previous month's value, with transactions in the T.bills market accounting for 89.86% (June: 88.71%) of the turnover
- Outstanding T.bills at the end of the month amounted to N5.43trn (June: N5.28trn) whilst outstanding FGN bonds increased by 1.83% (N120.00bn) to close at N6.65trn
- Trading intensity in the Fixed Income market settled at 0.79 and 0.07 for T.bills and FGN bonds respectively, with maturities below 1-month being the most actively traded (N1.20trn) in the period under review
- The CBN raised its Policy Rate by 200bps (14.00%) in the month of July on the back of steady rising inflation and contracting economic growth rate indices
- The FGN bond yield curve inverted in the course of the month as short-term rates rose 755bps whilst mid- and long- term rates recorded marginal hikes of 247bps and 123bps respectively
- Spread between 10-year and 3-month rates closed at -0.27% points at the end of the month, compared with 4.35% points recorded same period in June

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

- Activities in the Money Market recorded a turnover of N4.46trn (June: N2.89trn), with 86.60% of transactions recorded in the secured placements (Repos/Buy-Backs)
- Unsecured Placements/Takings grew by 25.86% (N0.10trn) to close the month at a N0.51trn turnover; a decline of 64.84% (N0.94trn) YoY
- Liquidity was robust in the banking system as OBB⁵ and ON⁶ rates closed the month at 3.75% and 4.25% respectively after peaking at 20.83% and 22.75% in the month

Market Surveillance

- The number of executed trades captured on the E-Bond trading platform for July was 16,483 as against 13,887 recorded in the previous month
- There was a decline of 34.42% on the order book while RFQ trades recorded an increase of 38.19%
- Executed trades for T.bills increased by 22.16% whilst trades in FGN bonds were relatively flat

Source: FMDQ OTC Securities Exchange

Notes:

*Others include FX Forwards, Options & Cross Currency Interest Rate Swaps

1 – Year-on-Year; 2 – Federal Government of Nigeria; 3 – Value exclusive of Member – CBN trades; 4 – Central Bank of Nigeria; 5 - Open-Buy-Back; 6 – Overnight Rate; 7 – Anonymous Firm Order; 8 – Request-for-Quote
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