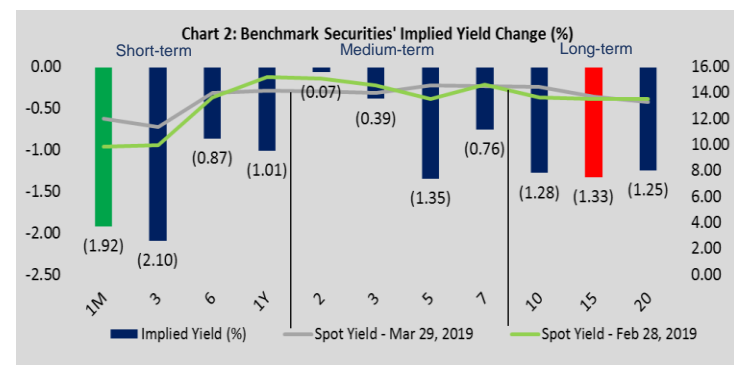


	March	February	MoM Δ ⁴ (\$'bn)	MoM Δ (%)
Inter-Member				
FX Spot	1.98	1.43	0.54	37.94
FX Forwards	0.20	0.07	0.13	175.61
FX Swaps	0.82	0.30	0.52	176.83
FX Futures	0.00	0.00	0.00	N/A*
Others**	1.27	0.62	0.65	103.98
Total	4.27	2.42	1.84	76.00
Member-Clients				
FX Spot	12.53	5.42	7.11	131.16
FX Forwards	0.68	0.52	0.16	29.78
FX Swaps	3.42	2.04	1.38	67.46
FX Futures	1.53	0.43	1.10	256.03
Others	0.26	0.47	(0.20)	(43.33)
Total	18.41	8.88	9.53	107.41
Member-CBN				
FX Spot	6.96	1.92	5.04	262.42
FX Forwards	1.30	0.64	0.66	103.72
FX Swaps	0.00	0.10	(0.10)	(100.00)
FX Futures	2.32	0.58	1.74	301.78
Others	0.00	0.05	(0.05)	(100.00)
Total	10.58	3.29	7.29	221.49
Total Turnover	33.26	14.59	18.67	127.92

Source	March			February			MoM Δ	
	Value (\$'bn)	Sizing (%)	Total Sizing (%)	Value (\$'bn)	Sizing (%)	Total Sizing (%)	MoM Δ ⁴ (\$'bn)	MoM Δ (%)
International Sources	FDIs	0.23	3.45	0.20	6.59	66.70	0.04	0.20
	FPIs	4.69	68.93	1.75	59.01	66.70	2.94	1.68
	Other Corporates	0.02	0.35	0.03	1.10		(0.01)	(0.26)
Local Sources	CBN	0.79	11.69	0.15	4.92	33.30	0.65	4.45
	Exporters	0.14	2.01	0.08	2.72		0.06	0.70
	Individuals	0.03	0.39	0.02	0.73		0.00	0.21
	Non-Bank Corporates	0.90	13.18	0.74	24.93		0.16	0.21
Total	6.80	100.00	2.96	100.00		3.84	15.55	



	Jan-18	Feb-19	Mar-19	YTD '19	YTD****'18
T.Bills	0.46	0.54	0.60	1.60	1.27
FGN Bonds	0.08	0.12	0.18	0.38	0.33

Notes:
 Member All references to Member means Dealing Member (Banks); ***N/A** means Not Applicable; ****Others** includes Options & Cross Currency Interest Rate Swaps; *****YTD** refers to Jan '18 to Mar '18; 1 – Month-on-Month; 2 – Year-on-Year; 3 – Central Bank of Nigeria; 4 – Change; 5 – Federal Government of Nigeria; 6 – Open Market Operations; 7 – Year-to-Date

OTC Market Summary

- Turnover in the Fixed Income and Currency (FIC) markets for the month ended March (Mar) 31, 2019 was ₦28.98trn, representing a 51.09% (₦9.80trn) MoM¹ increase on the turnover recorded in February (Feb) 2019 (₦19.18trn); and an 84.47% YoY² increase from ₦15.71trn recorded in Feb '18
- The Treasury Bills (T.bills) and Foreign Exchange (FX) market segments remain the major drivers of turnover in the FIC markets, jointly accounting for 75.71% of turnover in Mar '19, which was 2.17 percentage points (ppts) lower than their contribution in Feb '19 (77.88%) (See Chart 1)

FX Market

- Total FX market turnover in Mar '19 was \$33.26bn (₦12.00trn), representing 127.92% (\$18.67bn) MoM increase from the turnover recorded in Feb '19 (\$14.59bn) (See Table 1). Analysis of FX turnover by trade type indicates an increase across all three (3) segments, as FX turnover for Inter-Member, Member-Clients and Member-CBN³ trades increased by 76.00%, 107.41% and 221.49% respectively (See Table 1.). The increase in FX turnover for Member-Clients and Member CBN was driven by the increase in turnover in OTC FX Futures market segment which is largely attributable to increased Foreign Portfolio Investor ("FPI") inflows. Conversely, turnover at the Investors & Exporters ("I&E") FX Window in Mar '19 recorded a 18.04% (\$1.65bn) MoM decrease to close at \$7.48bn from the \$9.13bn recorded in Feb '19 and a 65.85% (\$2.97bn) YoY increase from the \$4.51bn recorded in Mar '18
- Analysis of FX turnover by product type showed an increase in both FX Spot and FX Derivatives, with FX Spot recording a MoM increase of 144.68% (\$12.69 bn) and accounting for 67.98% of the total MoM increase in FX turnover. The MoM increase of 102.64% (\$5.97bn) in FX Derivatives was driven by increases in FX Forwards, Swaps and Futures turnover by 76.61%, 73.60% and 282.28% respectively. In Mar '19, the 33rd Naira-settled OTC FX Futures Contract (NGUS MAR 27 2019) with total open contract size of \$505.25mm matured and was settled, bringing the total value of OTC FX Futures contracts settled on FMDQ since inception to c.\$14.84bn; out of FX Futures contracts worth \$22.05bn traded to date. A new 12-month contract (NGUS MAR 25 2020) with a notional principal of \$1.00bn and price of \$/₦362.29 was listed on FMDQ
- In Mar '19, the Naira appreciated against the US Dollar at the I&E FX Window ₦0.31 to close the month at \$/₦360.68 but remained unchanged in the parallel market at \$/₦360.00 (See Table 2). Conversely, the CBN Official Spot rate depreciated by 10 kobo to close at \$/₦306.95 (from \$/₦306.85 recorded in Feb '19)

Fixed Income Market (T. bills and FGN⁵ bonds)

- Total T.bills (including OMO⁶ bills) outstanding recorded a MoM increase of 4.31% (₦0.69trn) to close at ₦16.80trn, with OMO Bills accounting for 100% of the MoM increase while actual T.bills outstanding remained unchanged, as the CBN continued its liquidity mop up via OMO auctions to curtail build-up of inflationary pressure. Similarly, FGN Bonds outstanding value increased MoM by 1.43% (₦0.12trn) to close at ₦8.64trn as at Mar. 29, 2019. Furthermore, the split in sovereign debt between long- and short -term debt as at Mar '19 was 77:23 (long- vs. short-term), slightly higher than the target ratio of 75:25 outlined in the Nigerian Debt Management Office ("DMO") debt management strategy
- Trading intensity in the T.bills and FGN bonds markets increased from 0.54 and 0.12 in Feb '19, to 0.60 and 0.18 in Mar '19 respectively (See Table 3)
- Trading intensity in both markets stood at 1.60 and 0.38 respectively compared to 1.27 and 0.33 as at the same period in 2018, due to the 52.61% (₦9.65trn) growth in T. bills and FGN bonds YTD⁷ turnover. T. bills within the 6-12 months maturity bracket remained the most actively traded in Mar '19, accounting for 59.89% of the total FI market turnover
- In Mar '19, weighted average rate of yields on short- and long-term maturities on the sovereign yield curve increased by 0.47ppts and 0.26ppts respectively. Conversely, weighted average rate of yields on medium-term maturities on the sovereign yield-curve declined by 0.91ppts (See Chart 2)

(Table 4) - Money Market Turnover (₦'bn)

	Mar-19	Feb-19	MoM Δ (₦'bn)	MoM Δ (%)	Mar-18	YoY Δ (₦'bn)	YoY Δ (%)
Repos/Buy-Backs	5,381.90	3,088.81	2,293.09	74.24%	2,622.13	2,759.77	105.25
Unsecured Placements / Takings	146.09	102.04	44.05	43.17%	135.92	10.17	7.48
Total	5,527.99	3,190.85	2,337.14	73.25%	2,758.05	2,769.94	100.43

(Table 5) - Market Activity - Executed Trade Count

	March			February			MoM Δ (%)
	AFO ⁹	RFQ ¹⁰	Total	AFO	RFQ	Total	
T.bills	1,181	17,091	18,272	840	15,786	16,626	9.90
FGN bonds	882	2,136	3,018	482	1,240	1,722	75.26
Total	2,063	19,227	21,290	1,322	17,026	18,348	16.03

Notes:
8 – Overnight; 9 – Nigerian Inter-Bank Offered Rate; 10 – Anonymous Firm Order; 11 – Request-for-Quote.

- Yield spread between the 3-month T.bills and the 10-year FGN bond declined by 65 basis points (bps) to close at 3.07ppts in Mar '19 (3.72ppts in Feb'19) with the yield on the 3-month T.bills and 10-year FGN bond increasing by 1.42% and 0.77% respectively, suggesting lower prices and more sell-offs at the shorter end of the curve. The speculations of market participants in Feb '19 was that the CBN would reduce the frequency of OMO issuances however, CBN resumed regular OMO auctions in Mar '19 which contributed to the increase in rates. Furthermore, market participants focused their activities on securities with medium to long term maturities

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

- Turnover recorded in the Repos/Buy-Backs segment of the Money Market was ₦5.38trn in Mar '19, representing a 74.24% (₦2.29trn) MoM increase from ₦3.09trn recorded in Feb '19, and a 105.25% (₦2.76trn) YoY increase from the turnover recorded in Mar '18 (See Table 4)
- Similarly, Unsecured Placements/Takings closed the month with a turnover of ₦146.09bn, representing a 43.17% (₦44.05bn) MoM increase from ₦102.04bn recorded in Feb '19, and a YoY increase of 7.48% (₦10.17bn) (See Table 4)
- Average O/N⁸ NIBOR⁹ declined by 6.04ppts to close at 12.88% in Mar '19 from 18.93% reported for Feb '19, indicating an increase in liquidity in the inter-bank market which could be as result of a decrease in the frequency of OMO auctions in Mar'19 as well as the 1.72% increase in Federation Accounts Allocation Committee ("FAAC") disbursements shared in Mar'19 to ₦660.37bn from ₦649.19bn shared in Feb '19

Market Surveillance

- Total number of executed trades reported on the E-Bond Trading System in Mar '19 was 21,290 representing a 16.03% (2,942) MoM increase from the number of trades executed in Feb '19 (18,348), driven by a MoM increase in T.bills and FGN bonds trades by 1,646 (9.90%) and 1,296 (75.26%) respectively (See Table 5)