

MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: FIXED INCOME AND CURRENCIES MARKETS GROUP
Reference: FMDQX/FCG/30/11/20/MN-24
Notice Date: November 30, 2020
Effective Date: November 30, 2020

TEMPORARY REVISION TO THE COMPUTATION OF THE NIGERIAN INTER-BANK TREASURY BILLS' TRUE YIELDS FIXING

This Market Notice is issued to inform market participants on the temporary revision to the calculation methods adopted by FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) in the computation of the Nigerian Inter-Bank Treasury Bills’ True Yields Fixing (“**NITTY**” or the “**Benchmark**”).

In view of the declining interest rate and yield environment, and its attendant impact on the Benchmark rates computed under the extant Methodology, the Exchange activated the contingency plan clause in the NITTY Methodology wherein NITTY rates for November 24, 2020 were republished for three (3) consecutive business days between November 25 – 27, 2020.

As outlined in section 3.2 of the NITTY Methodology (*click [here](#) to view*), *after three (3) consecutive business days of republishing the previous day’s NITTY (in this case, the NITTY of three (3) business days prior), an FMDQ Exchange Market Review Committee meeting shall be convened in a special session to devise a strategy for the appropriate determination of future NITTY during the extreme market condition, towards preserving the continuity of the NITTY publication.*

Based on the foregoing, the Exchange will be adopting a temporary revision to the Methodology used in the computation of NITTY rates to preserve the continuity of the NITTY publication. Consequently, the Exchange **shall compute NITTY using only the Bid quotes submitted by the Reference Banks** for subsequent NITTY computations effective from November 30, 2020 until further notice.

The Exchange will continue to monitor market trends to ensure computed NITTY rates are a fair representation of trading activity in the treasury bills market and will communicate any necessary updates to market participants.

Please be guided accordingly.

Should you have any question(s) about this Market Notice, please do not hesitate to contact the FMDQ Exchange Fixed Income and Currencies Markets Group at support@fmdqgroup.com