



MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: FIXED INCOME AND CURRENCIES MARKETS GROUP
Reference: FMDQX/FCG/260124/MN-44
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REVISIONS TO THE FMDQ FOREIGN EXCHANGE MARKET RATES PRICING METHODOLOGIES

This Market Notice serves to notify all market participants of amendments to the methodologies applied for the computation of the Nigerian Autonomous Foreign Exchange Fixing (“**NAFEX**”), and the Nigerian Autonomous Foreign Exchange Market (“**NAFEM**”) Spot Closing Rate (collectively referred to as the “**FX Rates Pricing Methodologies**”) - *see Appendix I below*.

In alignment with FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”)’s dedication to maintaining transparency and adaptability in response to the evolving dynamics of the market, the Exchange has updated the FX Rates Pricing Methodologies. This revision aims to address recent fluctuations and challenges encountered in the Nigerian Foreign Exchange (“**FX**”) Market.

These revisions are focused on enhancing the accuracy and reliability of the NAFEX and NAFEM rates determination process, with a focus on data availability and integrity involving a rigorous data validation process, including tolerance checks which shall be applied by FMDQ Exchange, subject to internal policies and procedures. These measures aim to ensure that NAFEX and NAFEM rates accurately reflect market conditions while upholding price formation and transparency.

Accordingly, all market stakeholders shall take note of the following important changes:

- This Market Notice (MN-44) shall supersede all Market Notices on FX Pricing Methodologies to the extent of any conflict
- Publication of NAFEM Spot opening rates shall be suspended until further notice
- Dealing Member (Banks) (“**DMBs**”) are strongly urged to consistently execute and report their FX market transactions accurately and promptly during trading hours on the FMDQ-designated FX Trading System

The Exchange shall continue to monitor market trends and communicate any necessary updates on the FX Rates Pricing Methodologies to market participants.

Please be guided accordingly.

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

Appendix I

Summary of Revisions¹

S/N	Parameters	NAFEX (Click here to view methodology)	NAFEM Spot Closing Rates (Click here to view methodology)
1.	Number of Trades and Observation Window	<ul style="list-style-type: none"> ▪ Level I – All trades between 12:00 Noon prior day - 12:00 Noon the current trading day subject to a minimum of ten (10) data inputs ▪ Level II – All trades between 12:00 Noon prior day - 12:00 Noon the current trading day subject to a minimum of five (5) data inputs ▪ Level III – Minimum of five (5) data inputs comprising all trades between 12:00 Noon prior day - 12:00 Noon current trading day and available market quotes² of the current trading day ▪ Level IV – Maintain previous day’s NAFEX 	<ul style="list-style-type: none"> ▪ Level I – Last ten (10) trades of the current trading day ▪ Level II – Minimum of last (5) trades of the current trading day ▪ Level III – Minimum of five (5) data inputs comprising all trades and available market quotes² of the current trading day ▪ Level IV – Maintain previous day’s Closing Rate

¹ All data inputs shall be subject to tolerance checks whereby, among other steps, FMDQ Exchange shall (subject to internal policies and procedures) accept or reject data inputs for the calculation of NAFEX and NAFEM

² Market quotes refer to USD/NGN rates quoted by banks for a standard transaction size of \$100,000.00