



MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: DERIVATIVES MARKETS GROUP
Reference: FMDQX/DMG/220224/MN-45
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Effective Date: February 23, 2024

FMDQ CLEARED NAIRA-SETTLED NON-DELIVERABLE FORWARDS CLOSING RATE METHODOLOGY

This Market Notice (“**MN**”) seeks to inform all market participants in the Cleared Naira-Settled Non-Deliverable Forwards (“**Cleared USD/NGN NDFs**”) Market (the “**Market**”) of the publication of the FMDQ Cleared USD/NGN NDFs Closing Rate Methodology.

Under the extant Market structure, the closing rate for the Cleared USD/NGN NDFs is determined solely based on either the rates of executed Cleared USD/NGN NDFs trades or available offer quotes provided by Transaction Counterparties. However, due to the protracted unavailability of offer quotes in the Market, as well as to facilitate price formation and effective risk management in the Market, FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) hereby notifies market participants of the publication of the FMDQ Cleared USD/NGN NDFs Closing Rate Methodology to ensure consistency, standardisation, and transparency, broadly in line with the tenets and best practices of derivatives markets globally.

The closing rate for Cleared USD/NGN NDFs under this methodology shall be derived from any or a combination of the following:

- Executed Trades
- Available Executable Orders/Quotes
- Modelled Rates

Kindly follow this [link](#) to view the FMDQ Cleared USD/NGN NDFs Closing Rate Methodology.

Please be advised accordingly.

Should you have any question(s) about this Market Notice, please do not hesitate to contact the Derivatives Market Group at dmg@fmdqgroup.com.