

MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: FIXED INCOME AND CURRENCIES MARKETS GROUP
Reference: FMDQX/FCG/300625/MN-52
Notice Date: June 30, 2025
Effective Date: July 1, 2025

REACTIVATION OF TWO-WAY QUOTE OBLIGATIONS IN THE FIXED INCOME SECONDARY MARKET

This Market Notice is issued further to engagements between FMDQ Securities Exchange Limited ("**FMDQ Exchange**" or the "**Exchange**") and the Financial Markets Dealers Association ("**FMDA**"), in respect of initiatives targeted at enhancing liquidity and efficiency in the Nigerian fixed income market.

The Exchange, in collaboration with the FMDA, hereby notifies market participants of the reactivation of Two-Way Quote ("**2WQ**") obligations, effective July 1, 2025, for its Dealing Member (Banks) ("**DMBs**") who are DMO-licensed Primary Dealer Market Makers. The reactivated 2WQ obligations will apply to selected benchmark Federal Government of Nigeria ("**FGN**") Bonds, as well as all benchmark Nigerian Treasury Bills ("**NTBs**") and Open Market Operations ("**OMO**") Bills (*collectively referred to as the "**Referenced Benchmark Securities**"*) with associated trading and operational parameters contained in **Appendix I**.

The 2WQ obligations of the Exchange's DMBs has historically played a critical role in enhancing liquidity, improving price discovery, and promoting transparency in the Nigerian fixed income market. However, its ongoing operationalisation and sustenance were impacted by market-wide liquidity challenges in the Nigerian financial markets which adversely eroded DMBs' capacities to fulfil their obligations. This necessitated the scaling back on the enforcement of the 2WQ obligations by the Exchange. However, due to improving market conditions and in advancement of the FMDQ Exchange's commitment to promote market depth and liquidity in collaboration with FMDA, the Exchange would commence the phased reactivation of the 2WQ obligations for DMBs effective July 1, 2025, as indicated earlier.

Further, to support DMBs' full reassumption of 2WQ obligations, the Exchange would suspend relevant sanctions in respect of DMBs' market-making obligations until December 31, 2025. During the period, FMDQ Exchange will regularly monitor DMBs' performance, and reassess with FMDA, the market towards determining the conditions for the next phase of the 2WQ market reactivation.

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.

This FMDQ Securities Exchange Limited Market Notice can be found [here](#)

Appendix I: The Scope and Operational Parameters for the Implementation of the Revised 2WQ Framework

S/N	Parameters	Scope
1.	Referenced Benchmark Securities	<p>A. FGN Bonds:</p> <ul style="list-style-type: none"> ▪ NIGB 19.94 03/20/27 ▪ NIGB 19.30 04/17/29 ▪ NIGB 18.50 02/21/31 ▪ NIGB 19.89 05/15/33 ▪ NIGB 19.00 02/21/34 ▪ NIGB 15.45 06/21/38 ▪ NIGB 15.70 06/21/53 <p>B. NTBs and OMOs:</p> <ul style="list-style-type: none"> ▪ All benchmark securities
2.	Standard Trade Size	<ul style="list-style-type: none"> ▪ FGN Bonds: ₦200.00mn ▪ NTBs and OMOs: ₦250.00mn
3.	Maximum Bid-Offer Spread	<ul style="list-style-type: none"> ▪ 25 basis points (bps) for Referenced Benchmark Securities ▪ Retention of the extant maximum bid-offer spread (i.e., 15bps [TTM¹≤3Y] and 30bps [TTM>3Y]) for other benchmark and non-benchmark FGN Bonds
4.	Participation Requirements	<ul style="list-style-type: none"> ▪ Mandatory for all DMO²-licenced Primary Dealer Market Makers (“PDMMs”) ▪ Other Dealing Member (Banks) (“DMBs”) are strongly encouraged to participate
5.	FMDQ Sanctions Grid	<ul style="list-style-type: none"> ▪ Suspension of the FMDQ sanctions grid will apply only to market-making obligations and their associated infractions. Consequently, the suspension shall be limited to the infraction types listed below, for a duration of six (6) months: <ul style="list-style-type: none"> - Failure to provide firm quotes for all benchmark securities by 10:00 AM on each trading day - Responding to less than 35.00% of mandatory Requests for Quotes (RFQs) - Failure to replenish quotes for all benchmark securities within five (5) minutes - Quoting outside the standard/recommended bid-offer spread
6.	Go-Live Date	<ul style="list-style-type: none"> ▪ July 1, 2025

¹ Time-to-maturity

² Debt Management Office Nigeria