

Chart 1: FIC Market Turnover (N'trn)

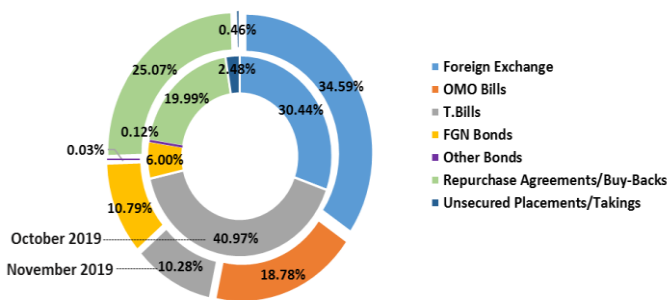


Table 1 - FX Market Turnover (\$'bn)

Trade Type	Product Type	November	October	MoM Δ <sup>4</sup> (\$'bn)	MoM Δ (%)
Inter-Member*	FX Spot	1.73	1.64	0.08	5.14
	FX Forwards	0.04	0.04	0.00	6.83
	FX Swaps	0.44	0.52	(0.09)	(16.42)
	FX Futures	0.00	0.00	0.00	0.00
	Others**	0.82	0.79	0.04	4.77
	FX Derivatives	1.30	1.35	(0.05)	(3.40)
	<b>Total</b>	<b>3.03</b>	<b>2.99</b>	<b>0.04</b>	<b>1.29</b>
Member-Client	FX Spot	8.27	5.93	2.35	39.61
	FX Forwards	0.83	0.65	0.18	28.06
	FX Swaps	1.38	1.33	0.05	3.71
	FX Futures	1.38	0.30	1.07	354.66
	Others	0.25	0.25	0.00	(0.51)
	FX Derivatives	3.84	2.53	1.30	51.49
	<b>Total</b>	<b>12.11</b>	<b>8.46</b>	<b>3.65</b>	<b>43.17</b>
Member-CBN <sup>5</sup>	FX Spot	1.91	1.27	0.64	49.97
	FX Forwards	1.37	0.87	0.50	57.80
	FX Swaps	0.20	0.00	0.20	0.00
	FX Futures	1.80	0.38	1.41	368.84
	Others	0.20	0.00	0.20	0.00
	FX Derivatives	3.57	1.25	2.32	185.02
<b>Total</b>	<b>5.48</b>	<b>2.52</b>	<b>2.95</b>	<b>116.96</b>	
<b>Total Turnover</b>	<b>20.61</b>	<b>13.97</b>	<b>6.64</b>	<b>47.54</b>	

Table 2-Trading Intensity

	Nov'19	Oct'19	Nov'18	YTD'19	Jan-Nov'18
T.bills	0.36	0.39	0.61	4.83	5.00
FGN Bonds	0.26	0.11	0.11	1.60	1.40

Chart 2: Fixed Income Turnover - November 2019 (N'trn)

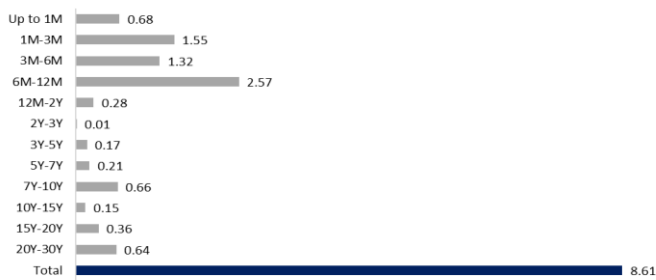
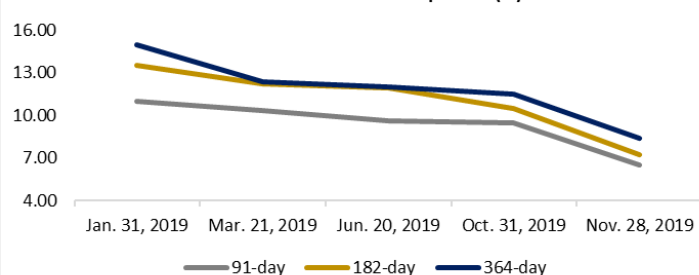


Chart 3: Trend in T.bills Stop Rates (%)



**Notes:**

\*Member - All references to Member means Dealing Member (Banks); \*\*Others includes Options & Cross Currency Interest Rate Swaps;

1 - Month-on-Month; 2 - Year-on-Year; 3 - Open Market Operations; 4 - Change; 5 - Central Bank of Nigeria; 6 - Federal Government of Nigeria; 7 - Year-to-Date

**FIC Market Summary**

- Turnover in the Fixed Income and Currency ("FIC") markets for the month ended November 30, 2019 was ₦21.61trn, representing a MoM<sup>1</sup> increase of 29.95% (₦4.98trn) on the turnover recorded in October 2019 (₦16.63trn) and a YoY<sup>2</sup> increase of 61.87% (₦8.26trn) in comparison to the turnover recorded in November 2018 (₦13.35trn)
- Foreign Exchange ("FX"), Repurchase Agreements/Buy-Backs and OMO<sup>3</sup> bills were the most traded products jointly accounting for 78.44% of the total FIC market turnover recorded in November 2019. (See Chart 1)

**FX Market**

- Total FX market turnover in November 2019 was \$20.61bn (₦7.47trn), representing a 47.54% (\$6.64bn) MoM increase from the turnover recorded in October 2019 driven jointly by the increase in turnover of Member-Client FX Spot and Member-CBN FX Derivatives transactions. (See Table 1)
- Analysis of FX market turnover by trade type indicated MoM increases across all categories, with Member-CBN trades recording the highest percentage MoM increase at 116.96% (\$2.95bn), while Member-Client trades recorded the highest MoM increase in dollar (nominal) terms, at \$3.65bn (43.17%)
- Additionally, analysis by product type indicated that the MoM increase in FX turnover was mainly driven by the 69.66% (\$3.57bn) increase in FX Derivatives turnover, while FX Spot turnover recorded a MoM increase of 34.70% (\$3.07bn), accounting for 53.77% and 46.23% of the MoM increase in total FX market turnover respectively
- In November 2019, the Naira-settled OTC FX Futures Contract (NGUS NOV 27 2019) with a total open contract value of \$1.47bn matured and was settled, and a new contract, NGUS DEC 30 2020 for \$1.00bn at \$/₦366.87 was introduced. This brings the total value of open OTC FX Futures Contracts to c.\$9.74bn, while the total value of contracts traded (i.e. open and settled) stands at c.\$31.96bn
- In November 2019, the CBN Official Spot rate for US\$/₦ remained constant at \$/₦307.00. Similarly, the parallel market rate remained constant at \$/₦360.00, while the Naira depreciated against the US Dollar at the Investors' and Exporters' ("I&E") FX Window by \$/₦0.15 to close at \$/₦362.81 in November 2019 (\$/₦362.66 in October 2019)

**Fixed Income Market (T.bills, OMO bills and FGN<sup>6</sup> bonds)**

- In November 2019, the average outstanding value of OMO bills decreased by 1.21% (₦0.18trn) MoM to ₦14.69trn, whilst the average outstanding value of T.bills remained flat at ₦2.58trn. Conversely, the average outstanding value of FGN bonds increased MoM by 0.45% (₦0.04trn) to close at ₦8.94trn in November 2019
- Trading intensity for T.bills and OMO bills decreased to 0.36 in November 2019 from 0.39 recorded in October 2019, conversely, trading intensity for FGN bonds increased to 0.26 in November 2019 from 0.11 recorded in October 2019. YTD<sup>7</sup> trading intensity for T.bills & OMO bills and FGN bonds stood at 4.83 and 1.60 respectively compared to 5.00 and 1.40 recorded in the corresponding period in 2018. (See Table 2)
- In November 2019, T.bills and OMO bills within the 6M - 12M maturity bracket were the most actively traded among the short-term securities (i.e. 1M - 5Y) accounting for 29.85% of the total Fixed Income market turnover, while FGN bonds within the 7Y - 10Y maturity bracket were the most actively traded among the medium to long-term securities (i.e. 5Y - 30Y), accounting for 7.67% of the total Fixed Income market turnover. (See Chart 2)
- Weighted average yields on long-term fixed income maturities increased by 2.44%, while, weighted average yields on short/medium-term maturities decreased by 5.37% and 2.34% respectively in November 2019. Further, the stop rates for T.bills in the primary market recorded a significant decline in November 2019 from the rates recorded in October 2019 across all tenors whilst the stop rates for OMO bills declined at a lower rate compared to T.bills. (See Chart 3 and 4). This can be attributed to the impact of the CBN directives issued in October 2019 which led to a drop in discount rates on the 91-day (170bps), 182-day (145bps) and 364-day (150bps) T.bills in the primary market, a three (3) year low since April 2016, to close at 7.80%, 9.00% and 10.00% respectively at the auction which held on November 13, 2019. Consequently, inflation-adjusted yield on T.bills was negative on the shorter tenors of the yield curve excluding the 3Y and 5Y tenors which remained positive in November 2019. (See Chart 5)

Chart 4: Trend in OMO bills Stop Rates (%)

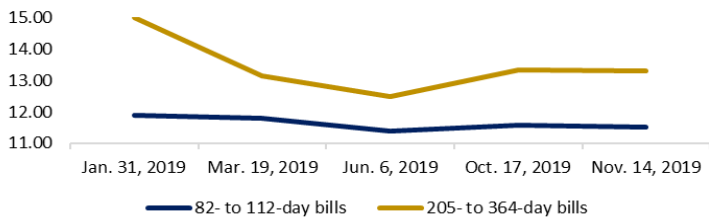


Chart 5: Inflation Adjusted Yield as at Nov. 29, 2019 (%)



Table 3 - Money Market Turnover (₦'bn)

	Nov-19	Oct-19	MoM Δ (₦'bn)	MoM Δ (%)	Nov-18	YoY Δ (₦'bn)	YoY Δ (%)
Repos/Buy-Backs	5,417.29	3,324.75	2,092.54	62.94	4,245.55	1,171.74	27.60
Unsecured Placements / Takings	100.39	412.14	(311.75)	(75.64)	63.08	37.31	59.14
<b>Total</b>	<b>5,517.68</b>	<b>3,736.89</b>	<b>1,780.79</b>	<b>47.65</b>	<b>4,308.63</b>	<b>1,209.05</b>	<b>28.06</b>

Table 4 - Market Activity - Executed Trade Count

	November			October			MoM Δ (%)
	AFO <sup>10</sup>	RFQ <sup>11</sup>	Total	AFO	RFQ	Total	
T.bills	267	10,374	10,641	284	8,358	8,642	23.13
FGN bonds	545	2,443	2,988	124	965	1,089	174.38
<b>Total</b>	<b>812</b>	<b>12,817</b>	<b>13,629</b>	<b>408</b>	<b>9,323</b>	<b>9,731</b>	<b>40.06</b>

Notes:  
8 – Overnight; 9 – Open Buy-back; 10 – Anonymous Firm Order; 11 – Request-for-Quote

### Money Market (Repurchase Agreements /Buy-Backs and Unsecured Placements/Takings)

- Total turnover in the Money Market increased MoM by 47.65% (₦1.78trn) to ₦5.52trn in November 2019, driven majorly by the Repurchase Agreements/Buy-Backs segment which recorded a MoM increase of 62.94% (₦2.09trn) in turnover to ₦5.42trn in November 2019 from ₦3.32trn in October 2019. (See Table 3)
- Turnover in Unsecured Placements/Takings in November 2019 was ₦0.10trn, representing a 75.64% (₦0.31trn) MoM decrease from the ₦0.41trn recorded in October 2019, and a YoY increase of 59.14% (₦0.04trn) from the turnover recorded in November 2018 (₦0.06trn). This can be attributed to reduced liquidity in the inter-bank market
- Reduced liquidity in the financial system is evidenced by the increase in average O/N<sup>8</sup> and OBB<sup>9</sup> rates by 33bps and 28bps respectively to an average of 7.34% and 6.51% in November 2019 from 7.01% and 6.23% in October 2019. Further, financial data from the CBN revealed a 3.23% (₦0.01trn) decrease in average opening balances of deposit money banks from ₦0.31trn in October 2019 to ₦0.30trn in November 2019

### Market Surveillance

- Total number of executed trades reported on the Bloomberg E-Bond Trading System in November 2019 was 13,629, representing a 40.06% (3,898) MoM increase in the number of executed trades in October 2019 (9,323), driven by the 23.13% (1,999) and 174.38% (1,899) MoM increases in T.bills and FGN bonds' trades respectively. (See Table 4)