



Presentation to Capital Markets Committee (CMC)

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Bonds/Funds Listings & NTBs/CP Quotations (Mar. 30, 2018 – Jul. 27, 2018)

Product	Issuer Category	Total Listed	Face Value (₦'bn)
Bonds	FGN	2	47.20
	FGN Eurobonds	-	-
	FGN Green Bond	1	10.69
	Corporate	-	-
	Sub-national	-	-
Private Companies' Bonds	PCBs	1	20.32
Funds	Corporate	-	-
CPs	Corporate	22	182.22
Total		26	260.43

Matured & Paid Down vs Outstanding CPs (Mar. 30, 2018 – Jul. 27, 2018)

Product	Issuer Category	Total Quoted	Face Value (₦'bn)
CPs	Matured & Paid Down	11	16.29
	Outstanding	11	165.93
Total		22	182.22

OTC FX Futures and I&E FX Window Flows

S/N	Indicator	Nov. 10, 2017 - to - Mar. 29, 2018	Mar. 30 2018 - to - Jul. 27, 2018	% Change
1	OTC FX Futures Market Turnover (\$'mm)	2,310.77	3,327.99	44.02
2	I&E FX Window Flows - FPIs (\$'bn)	6,634.10	5,132.30	-22.63

Debt Capital Markets Sizing & S&P Bond Index

S/N	Indicator	Mar.29, 2018	Jul. 27, 2018	% Change
1	DCM Market Sizing (₦'trn)	22.06	25.89	17.36
2	S&P Bond Index	347.43	353.91	1.87

Note: DCM: Debt Capital Markets; FPIs: Foreign Portfolio Investments; I&E: Investors' and Exporters'

FGN Savings Bond Subscription (Mar. 2018 - Jul. 2018)

Issuance (₦'mm)	Mar.	Apr.	May	Jun.	Jul.	Total (₦'mm)
2-Year Bond	30.52	64.92	21.44	50.75	79.85	247.48
3-Year Bond	121.30	129.01	157.19	317.53	263.07	988.10
Total	151.82	193.93	178.63	368.28	342.92	1,235.58

No. of Retail Subscribers	Mar.	Apr.	May	Jun.	Jul.	Total
2-Year Bond	110	144	117	124	113	608
3-Year Bond	164	177	203	183	175	902
Total	274	321	320	307	288	1,510

Total Number of NTBs/CP Quotations (Mar.30, 2018 – Jul. 27, 2018)

Product	Issuer Category	Total Quoted	Face Value (₦'bn)
NTBs	FGN	11	575.24
CPs	Corporate	22	182.22
Total		33	757.46

FGN Bonds Yield (%)

	2Y	5Y	10Y
Jul. 27, 2018	13.73	13.76	14.29
Mar. 29, 2018	13.68	13.59	13.75
Change	0.1	0.17	0.54

Treasury Bills Yields (%)

	3M	6M	12M
Jul. 27, 2018	11.33	12.73	12.71
Mar. 29, 2018	14.59	15.07	15.13
Change	-3.26	-2.34	-2.42

FMDQ OTC Market Sizing

Product Category	Turnover (₦'trn)					Change %
	Jan. – Dec.		Change %	Jan. – Jun.		
	2017	2016		2018	2017	
Foreign Exchange (FX)	21.09	13.87	52.05	20.91	6.30	231.90
FX & Money Market Derivatives*	17.11	11.05	54.84	11.46	7.95	44.15
Treasury Bills	60.32	45.45	32.72	34.93	31.31	11.56
FGN Bonds	9.84	9.04	8.85	5.59	5.35	4.49
Other Bonds**	0.03	0.04	(25.00)	0.09	0.01	800.00
Eurobonds	0.09	0.05	80.00	0.04	0.05	(20.00)
Repurchase Agreements/Buy-Backs	31.90	31.18	2.31	12.87	15.73	(18.18)
Unsecured Placements/Takings	1.65	2.96	(44.26)	0.51	0.67	(23.88)
Total	142.03	113.64	24.96	86.40	67.37	28.25
USD Equivalent (\$'bn)***	447.35	444.85		239.58	215.91	
No. of Business Days	250	252		126	124	
Average Daily Turnover (₦'bn)	568.12	451.03		685.69	543.33	
USD Equivalent (\$'bn)	1.80	1.77		1.90	1.74	
Average Rate (\$/₦)	314.51	255.50		360.61	311.16	

bn – billion; trn – trillion

*FX & Money Market Derivatives figures also include OTC FX Futures

**Other Bonds include Agency, Subnational, Corporate and Supranational Bonds

***Total Turnover USD Equivalent (\$'bn) takes cognisance of the average monthly \$/₦ rate

Source: FMDQ Data Portal as @ July 4, 2018 (as reported by Dealing Member (Banks) on a weekly basis)

Figures may be subject to change due to potential adjustments from Dealing Member (Banks)

Recent Developments/Updates

Initiative	Recent Development	Factors Responsible for Development/Challenges	Next Steps
Debt Capital Markets Development Project	Sustainable Finance SubCo <ul style="list-style-type: none"> Formalised partnership with FSD Africa and Climate Bonds Initiative via a Cooperation Agreement Achieved focused roundtable sessions for investors, issuers and intermediaries and formally launched the Nigerian Green Bond Market Development Programme 	<ul style="list-style-type: none"> Need to offer variety/diversification to the types of securities available in the Nigerian capital markets 	<ul style="list-style-type: none"> Continue engagement with potential green bond issuers Continue implementation of market sensitisation/awareness programme for key stakeholders
	Market Liquidity & Enhancement SubCo <ul style="list-style-type: none"> Developed framework on the structure of the Repo market 	<ul style="list-style-type: none"> Need to revitalise the Repo market 	<ul style="list-style-type: none"> Planned engagement with PenOp Technical Committee to discuss proposed Repo market framework
	Investors, Issuers & Intermediaries Engagement/ Education <ul style="list-style-type: none"> Finalising plans for deployment of an advocacy campaign, highlighting the importance of credit ratings for prospective issuers 	<ul style="list-style-type: none"> Need to enhance issuance of corporate bonds 	<ul style="list-style-type: none"> Deploy advocacy campaign, to commence Q3 2018

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Initiative	Recent Development	Factors Responsible for Development/Challenges	Next Steps
Debt Capital Markets Development Project	Infrastructure SubCo <ul style="list-style-type: none"> ▪ Achieved split of the Infrastructure SubCo from the erstwhile Housing/Infrastructure SubCo 	<ul style="list-style-type: none"> ▪ To allow for better focus on critical initiatives required to drive infrastructure development 	<ul style="list-style-type: none"> ▪ SubCo meetings to commence in August 2018 post-constitution of membership and review of Terms of Reference
	Regulation Consolidation SubCo <ul style="list-style-type: none"> ▪ Engaged NAICOM's Management on the removal of restrictive regulations in the prudential guidelines limiting insurance sector participation in the Nigerian DCM ▪ Engaged Ministry of Finance/Presidency via CAMMIC on the reduction of stamp duties for DCM transactions ▪ Engaged CAMMIC on the modalities for streamlining the bond issuance process 	<ul style="list-style-type: none"> ▪ To widen the investor base in DCM securities ▪ To reduce transaction costs in the Nigerian DCM ▪ To facilitate issuances/listings in the Nigerian DCM 	<ul style="list-style-type: none"> ▪ Continued engagement with NAICOM to ensure recommendations are considered in its ongoing review of the prudential guidelines ▪ Awaiting feedback from Ministry of Finance on reduction of stamp duties ▪ Further deliberations on proposed initiative to take place at SteerCo, before engagement with SEC

CAMMIC: Capital Market Masterplan Implementation Committee; **DCM:** Debt Capital Markets; **NAICOM:** National Insurance Commission; **SEC:** Securities and Exchange Commission; **SteerCo:** Steering Committee

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Initiative	Recent Development	Factors Responsible for Development/Challenges	Next Steps
Debt Capital Markets Development Project	Housing SubCo <ul style="list-style-type: none"> ▪ Reconstituted SubCo to deepen expertise and enhance outputs ▪ Engaged various market stakeholders on the proposed Home Ownership and Mortgage Expansion Strategy (HOMES) 	<ul style="list-style-type: none"> ▪ To allow for better focus on critical initiatives required to drive housing market development 	<ul style="list-style-type: none"> ▪ Housing Roundtable scheduled for Q3 2018
Retail Market Development	<ul style="list-style-type: none"> ▪ Engagements currently ongoing with SEC on the development of regulation to support Retail Custody Account for Fixed Income Securities 	<ul style="list-style-type: none"> ▪ To allow for retail participation and widen the investor base in fixed income securities 	<ul style="list-style-type: none"> ▪ SEC to issue regulation in line with proposal sent by FMDQ
	<ul style="list-style-type: none"> ▪ Following feedback received from market, FMDQ re-exposed the Draft FISICS Rules to targeted stakeholder groups for further deliberation 	<ul style="list-style-type: none"> ▪ Need for market participants to properly appreciate the reforms sought to be introduced by the regulation 	<ul style="list-style-type: none"> ▪ Incorporate suggested amendments following re-exposure of Draft Rules ▪ Present Draft Rules to SEC for approval
	<ul style="list-style-type: none"> ▪ FMDQ is in advanced stages of finalising the modalities for activation of the Dealing Member (Specialists) market 	<ul style="list-style-type: none"> ▪ To enhance retail market development in the fixed income market 	<ul style="list-style-type: none"> ▪ Preparation for Market Go-Live in September 2018

Issues for CMC Deliberation



Issue	Objective
SEC Rules on Primary Issuance Fees	SEC to reconsider its position on published rules concerning Primary Issuance Fees offered by capital market operators

Thank you for your attention!



...empowering the Nigerian debt capital & FX markets