



Presentation to Capital Markets Committee (CMC)

Bola Onadele. Koko
Managing Director/CEO

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OTC Market Statistics

Bonds/Funds Listings & CP Quotations (Jan – Feb 2019)

Product	Issuer Category	Type	Number	Face Value (₦'bn)
Bonds	Sovereign	FGN Bonds	-	-
		FGN Eurobonds	3*	-
		FGN Green Bonds	-	-
	Corporate	N/A	3	35.28
	Sub-national	N/A	-	-
Funds	Corporate	N/A	-	-
CPs	Corporate	N/A	6	40.55
Total			12	75.83

*Issued in Dollars with a total Face Value of \$2.87bn

Matured vs Outstanding CPs (Jan – Feb 2019)

Product	Status	Number	Face Value (₦'bn)
CPs	Matured	5	20.29
	Outstanding ¹	19	216.30
	Total	24	236.59

OTC FX Futures and I&E FX Window Flows

S/N	Indicator	Nov – Dec 2018	Jan – Feb 2019	% Change
1	OTC FX Futures Market Turnover (\$'bn)	1.73	2.09	20.94
2	I&E FX Window Flows - FPIs (\$'bn)	1.11	3.07	176.58

Debt Capital Markets Sizing & S&P FMDQ Nigeria Sovereign Bond Index

S/N	Indicator	Nov – Dec 2018	Jan – Feb 2019	% Change
1	DCM Market Sizing (₦'trn)	67.43	69.46	3.00
2	S&P FMDQ Nigeria Sovereign Bond Index	706.26	742.04	5.07

FGN Savings Bond Allotment (Jan – Feb 2019)

Issuance	Jan (₦'mm)	Feb (₦'mm)	Total (₦'mm)	No. of Retail Subscribers	Jan	Feb	Total
2-Year Bond	21.73	122.25	143.98	2-Year Bond	123	126	249
3-Year Bond	414.52	223.65	638.17	3-Year Bond	260	248	508
Total	436.25	345.90	782.15	Total	383	374	757

Total Number of NTBs (Jan – Feb 2019)

Product	Issuer Category	Total Issues (New)	Face Value(₦'mm)
NTBs	FGN	5	524.31

FGN Bonds Yield (%)

	2Y	5Y	10Y
Jan. 31, 2019	15.45	14.99	15.20
Feb. 28, 2019	14.98	13.75	13.92
Change (%)	(3.04)	(8.27)	(8.42)

Treasury Bills Yield (%)

	3M	6M	12M
Jan. 31, 2019	11.85	14.51	17.47
Feb. 28, 2019	9.80	13.60	15.77
Change (%)	(17.30)	(6.27)	(9.73)

Note: **NTBs**: Nigerian Treasury Bills; **OTC**: Over-the-counter; **M**: Month; **Y**: Year

FMDQ OTC Market Sizing



Product Category	Turnover (₺'trn)		Change %
	Jan – Feb		
	2018	2019	
Foreign Exchange (FX)	5.80	7.91	36.42
FX & Money Market Derivatives*	2.76	4.06	47.27
Treasury Bills	10.18	14.84	45.86
FGN Bonds	1.43	1.73	21.59
Other Bonds**	0.01	0.00	(98.41)
Eurobonds	0.01	0.03	200.00
Repurchase Agreements/Buy-Backs	3.89	5.54	42.43
Unsecured Placements/Takings	0.21	0.15	(29.10)
Total	24.27	34.27	41.18
<i>USD Equivalent (\$'bn)</i>	<i>67.34</i>	<i>94.38</i>	
<i>No. of Business Days</i>	<i>39</i>	<i>39</i>	
<i>Average Daily Turnover (₺'bn)</i>	<i>622.35</i>	<i>878.66</i>	
<i>USD Equivalent (\$'bn)</i>	<i>0.19</i>	<i>0.26</i>	
<i>Average Rate (\$/₺)</i>	<i>360.44</i>	<i>363.07</i>	

bn – billion; trn – trillion

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

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

Source: FMDQ Data Portal as @ March 8, 2019 (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"> Bi-lateral engagements with Chief Executive Officers (CEOs) of Pension Industry Operators (PIOs) 	<ul style="list-style-type: none"> Need to continue execution of the training workstream under the Nigerian Green Bond Market Development Programme 	<ul style="list-style-type: none"> Execute Investors Workshop for PIOs on March 21, 2019 Execute Investors Workshop for Banks and Other Financial Institutions in Q2 2019
	Housing SubCo <ul style="list-style-type: none"> Executed Series I and II Housing Roundtables in collaboration with FHF and IFC on November 6 and 19, 2018, respectively Engaged legal firms to review the Land Use Act and provide recommendation on institutional arrangements in the Nigerian Housing and Mortgage sectors Finalising engagement with CBN on the adoption of the Uniform Underwriting Standards by Commercial Banks Advocacy to State Governments on the passage of MMFL 	<ul style="list-style-type: none"> To unlock inherent potentials in the housing and mortgage markets that will deepen the Nigeria debt capital markets 	<ul style="list-style-type: none"> Finalise relevant presentation materials on MMFL and schedule meetings
	Infrastructure SubCo <ul style="list-style-type: none"> Reviewing the National Integrated Infrastructure Masterplan (NIIMP) to identify focus areas for implementation 	<ul style="list-style-type: none"> Need to focus on critical initiatives required for infrastructure development in Nigeria 	<ul style="list-style-type: none"> SubCo meeting to ratify recommended initiatives for implementation such as: <ul style="list-style-type: none"> Introduction of “Project Bonds” into the Nigerian DCM Development of a Public Infrastructure Governance Model

Note: **SubCo:** Sub-Committee, **FHF:** Family Homes Fund, **IFC:** International Finance Corporation, **RSA:** Retirement Savings Account, **MMFL:** Model Mortgage Foreclosure Law, **DCMD:** Debt Capital Markets Development, **CBN:** Central Bank of Nigeria

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Initiative	Recent Development	Factors Responsible for Development/Challenges	Next Steps
Debt Capital Markets Development Project	Market Liquidity & Enhancement SubCo <ul style="list-style-type: none"> Reviewing model markets on how to increase of retail participation in the Nigerian debts capital markets through mobile technology 	<ul style="list-style-type: none"> Need to increase retail participation in the Nigerian DCM 	<ul style="list-style-type: none"> Engage market participants to obtain buy-in on the proposed concept (Q2 2019)
	Investors, Issuers & Intermediaries Engagement/ Education SubCo <ul style="list-style-type: none"> Developed modalities to execute awareness programmes for market participants in the Nigerian DCM <ol style="list-style-type: none"> Series 2 bootcamp training for issuers Sensitisation programme for intermediaries Knowledge sharing session with investors 	<ul style="list-style-type: none"> Need to promote stakeholder education in the Nigerian DCM 	<ul style="list-style-type: none"> Firm up execution dates for the planned events with key stakeholders in the Sub-Committee
	Regulation Consolidation SubCo <ul style="list-style-type: none"> Engaged SEC on the implementation of the initiative on the streamlining of bonds issuance process 	<ul style="list-style-type: none"> To reduce time to market of debt issuances in the Nigerian DCM To promote capital formation for issuers Nigerian DCM 	<ul style="list-style-type: none"> Submit legal opinion on initiative for consideration along with initial proposal
	<ul style="list-style-type: none"> Director General (DG), Nigerian Insurers Association (NIA) admitted into the Regulation Consolidation SubCo 	<ul style="list-style-type: none"> To promote active participation of the insurance sector in the Nigerian DCM 	<ul style="list-style-type: none"> DG-NIA to support with the follow-up with NAICOM on status of review of the Insurance Act and engagements with Ministry of Finance/ Ministry of Justice

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Initiative	Recent Development	Factors Responsible for Development/ Challenges	Next Steps
Debt Capital Markets Development Project	<ul style="list-style-type: none"> Engaged the Office of the Vice President through the Presidential Enabling Business Environment (PEBEC) on the reduction of stamp duties fees on DCM transactions 	<ul style="list-style-type: none"> To promote the reduction in the cost of issuance of securities in the Nigerian DCM 	<ul style="list-style-type: none"> Continuous engagement with PEBEC to further drive approval and implementation of the initiative
Retail Market Development	<ul style="list-style-type: none"> The FISICS Guidelines have been approved by the Board of FMDQ and published on the FMDQ website FMDQ launched the Dealing Member (Specialists) Automated Trading, Reporting and Surveillance System for the Fixed Income Markets in December 2018 	<ul style="list-style-type: none"> To facilitate better access to appropriate information by Retail Clients, and improved services across the value chain of the fixed income investment cycle, from execution to custody To integrate the fixed income market and enhance retail participation in the fixed income market 	<ul style="list-style-type: none"> Continuous stakeholder engagements Engage prospective DMSs to boost market participants Secure the buy-in of the National Pension Commission to integrate DMSs on PenDealer
Green Debt Securities (GDS) Market Development	<ul style="list-style-type: none"> The Draft GDS Listing Rules have been developed and exposed to the market for feedback 	<ul style="list-style-type: none"> To ensure that prospective Issuers and their Sponsors are appropriately apprised of the requirements for the admission of GDS to the OTC Exchange 	<ul style="list-style-type: none"> Obtain Board approval Obtain SEC approval

FISICS: Fixed Income Securities Investment Client Services; **DMSs:** Dealing Member (Specialists)

Thank you for your attention!



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