



Presentation to Capital Markets Committee (CMC)

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FMDQ Clear Limited**

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▪ Exchange

▪ Clearing

▪ Depository

OTC FX Futures Dashboard

FMDQ Clear Limited ("FMDQ Clear") is the appointed Clearing Agent for the Naira-settled Over-the-counter ("OTC") Foreign Exchange ("FX") Futures which are local-currency non-deliverable forwards ("NDFs") with contract maturities of up to sixty (60) months.

4,907 Executed

Contracts as at July 31, 2020, valued at over

₦17.36 trillion
(\$48.85 billion)



1,161 Open

Contracts as at July 31, 2020, valued at over

₦4.80 trillion
(\$12.69 billion)



3,746 Cleared & Settled

Contracts as at July 31, 2020, valued at over

₦12.56 trillion
(\$36.16 billion)



23

Futures Banks

Central Bank of Nigeria (CBN)-
licenced banks that execute
contracts with the CBN and
Clients



60

**OTC FX Futures
Contracts**

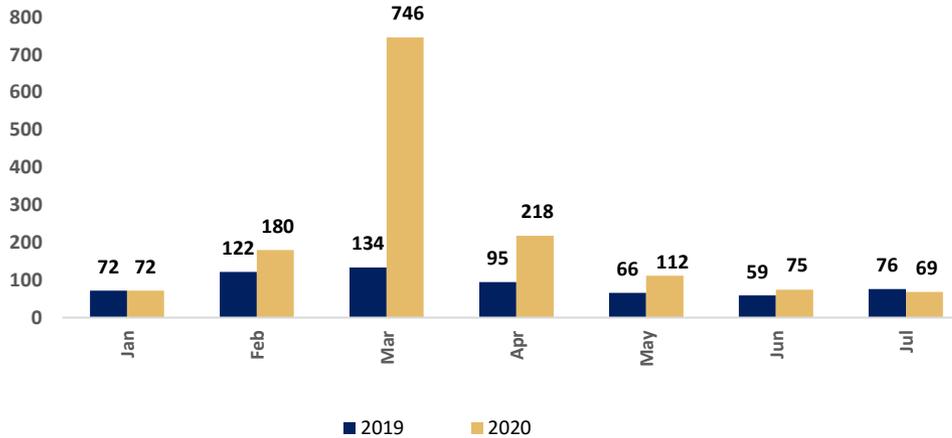
Available contracts that can be
entered at any point in time

Cleared and Settled OTC FX Futures Contracts

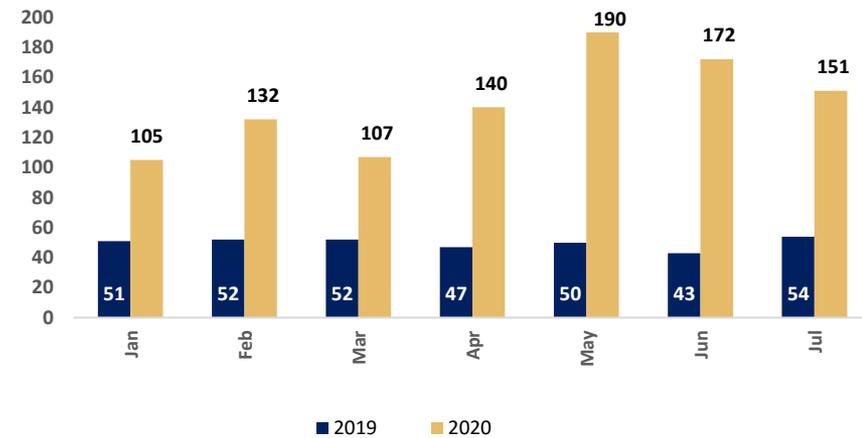


While the value of contracts cleared in 2020 (₱15.22bn) exceeds the 2019 value (₱9.04bn) by 68.3% for the comparable period of Jan. – Jul., the bulk of the increase was recorded in Q1 2020. Similarly, settled transactions recorded in 2020 increased by 214%.

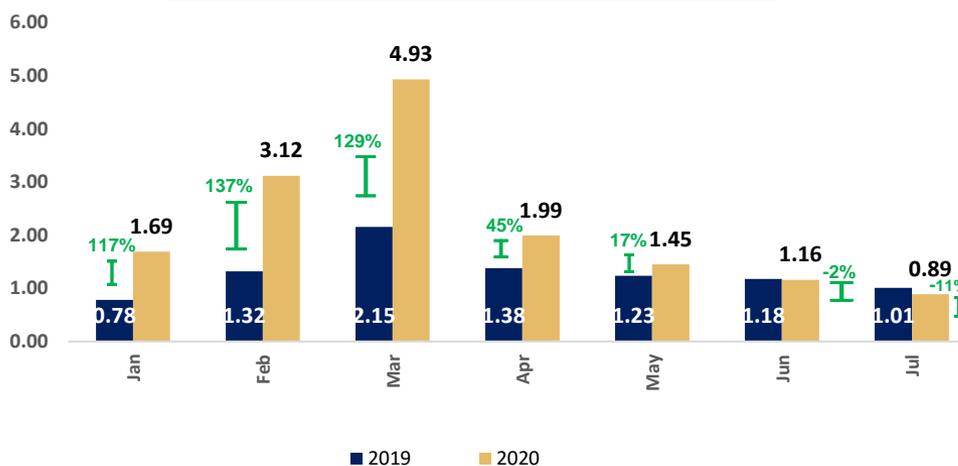
Monthly Summary of OTC FX Futures Contract Cleared (Count)



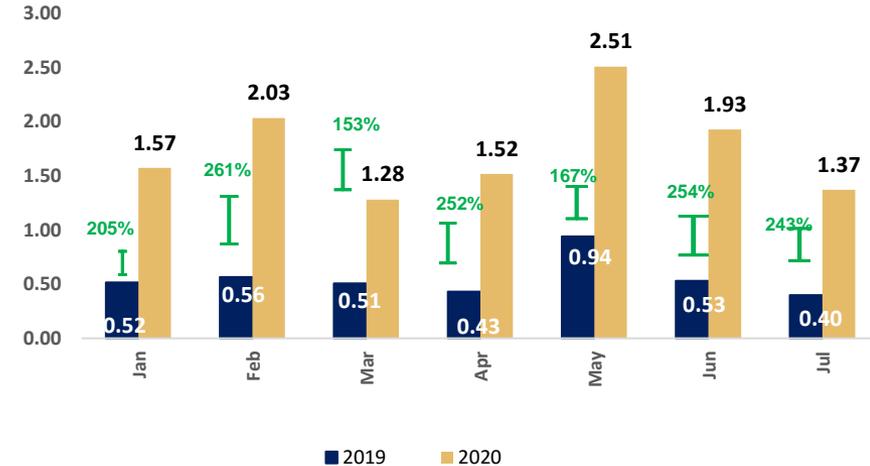
Monthly Summary of OTC FX Futures Contract Settled (Count)



Monthly Summary of OTC FX Futures Contract Cleared (₱'bn)



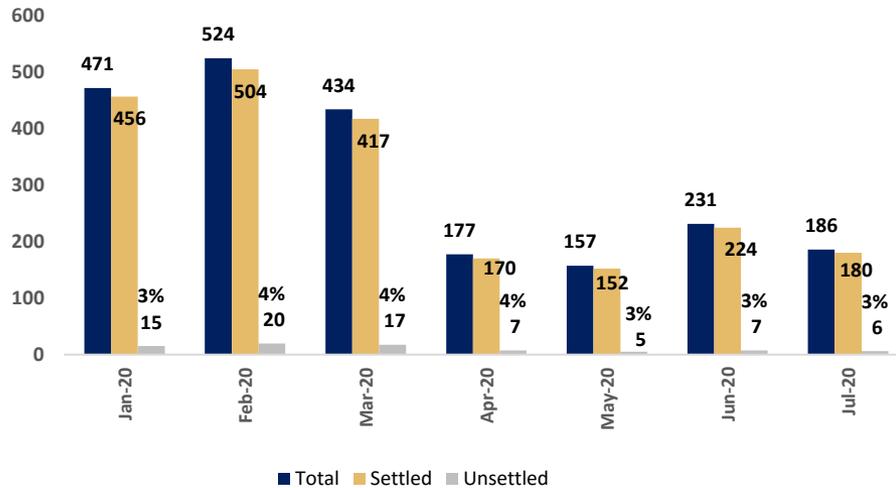
Monthly Summary of OTC FX Futures Contract Settled (₱'bn)



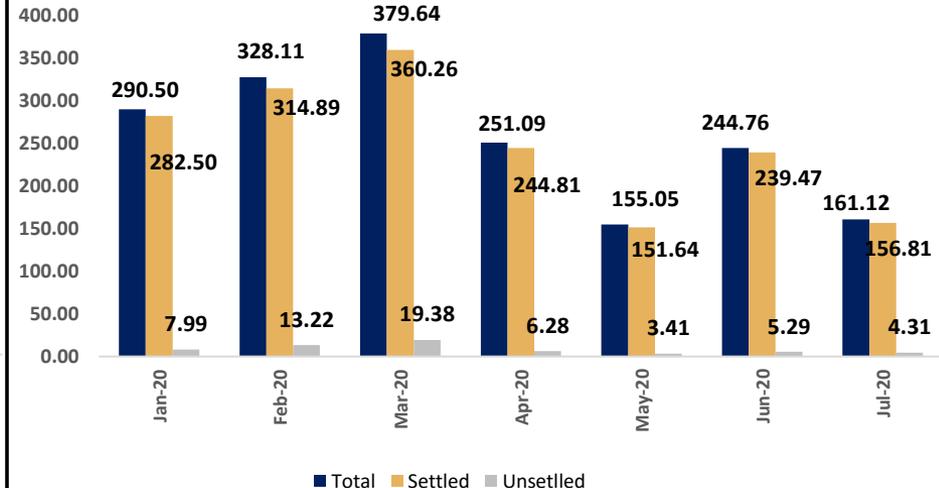
Summary of Fixed Income Trades Cleared

FMDQ Clear is responsible for the clearing of sovereign & non-sovereign fixed income securities in the secondary market and has successfully cleared c. ₦1,846.84bn of Treasury Bills, CBN OMO Bills, FGN Bonds, State Bonds, Corporate Bonds, Debt Funds, Supranational Bonds and Commercial Papers in 2020.

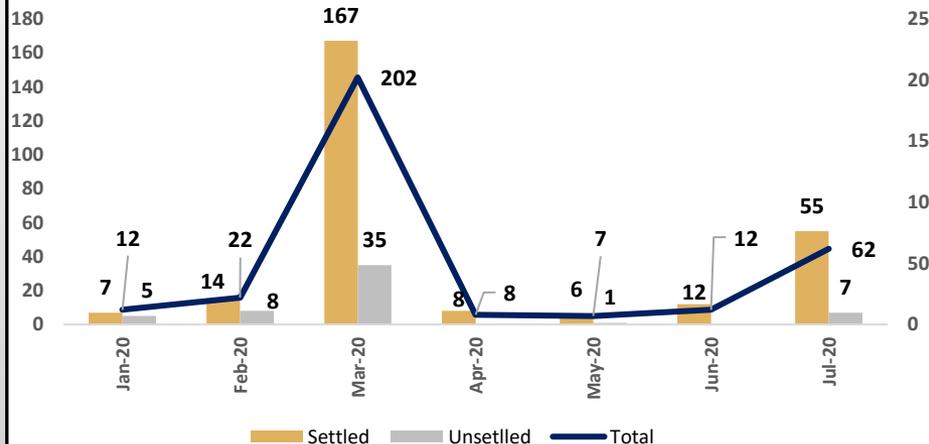
Monthly Average Summary for Sovereign Securities Settlement (Count)



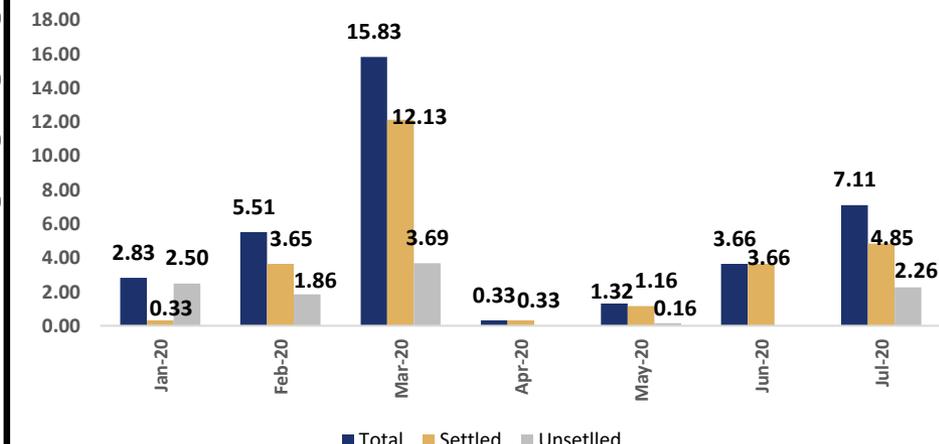
Monthly Average Summary for Sovereign Securities Settlement (₦'bn)



Settlement Summary for Non-Sovereign Securities Trades (Count)

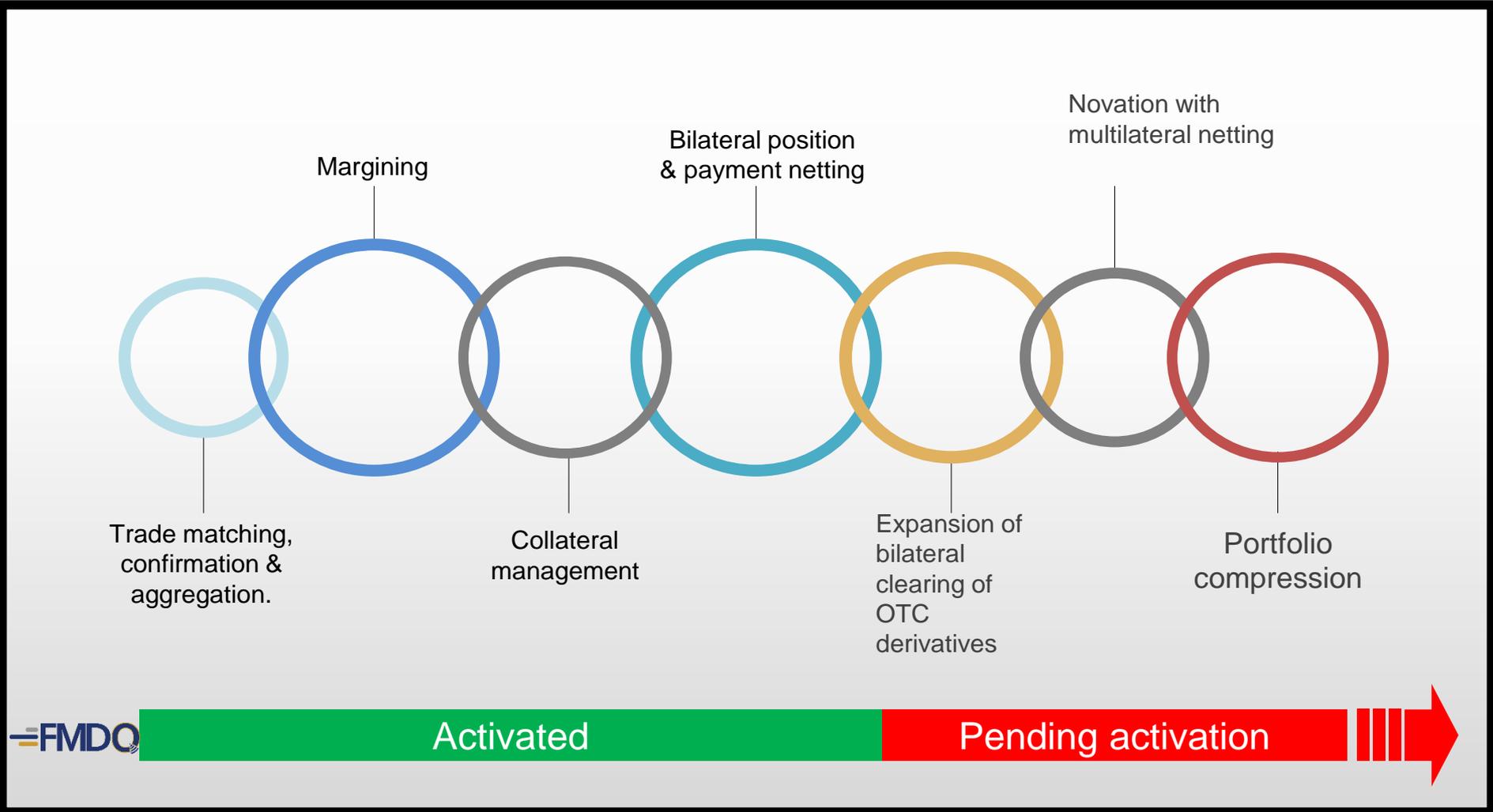


Settlement Summary for Non-Sovereign Securities Trades (₦'bn)



Value Adding Milestones on the Journey to Becoming a CCP

As FMDQ aspires to be a world-class Central Counterparty (“CCP”) in the short term, it has focused on attaining critical milestones permissible under the pre- existing legal and regulatory framework.



Developments in the Clearing Industry

S/N	Recent Development	Why it Matters	Impact and Next Steps
1.	Execution of the Companies and Allied Matters Act (CAMA) by the President	<p>The new Act captures major changes for the Nigerian Capital Market clearing landscape as it provides legal basis for two crucial requirements:</p> <ul style="list-style-type: none"> ▪ Legal basis for netting of financial market transactions and ▪ Bankruptcy remoteness for cleared transactions 	<ul style="list-style-type: none"> ▪ Pursue the introduction of 'obligation netting' in capital market transactions towards delivering operational cost efficiencies ▪ Securities lending and/or Repo transactions can effectively thrive given the removal of the legal encumbrances of the erstwhile bankruptcy legislation

Thank you for your attention!



An Integrated Financial Market Infrastructure Group