

# Q1 Capital Market Committee Meeting, 2021

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# Outline



***Clearing and Settlement Statistics for 2H'2020***



***Statistics on the Investor Update Portal***

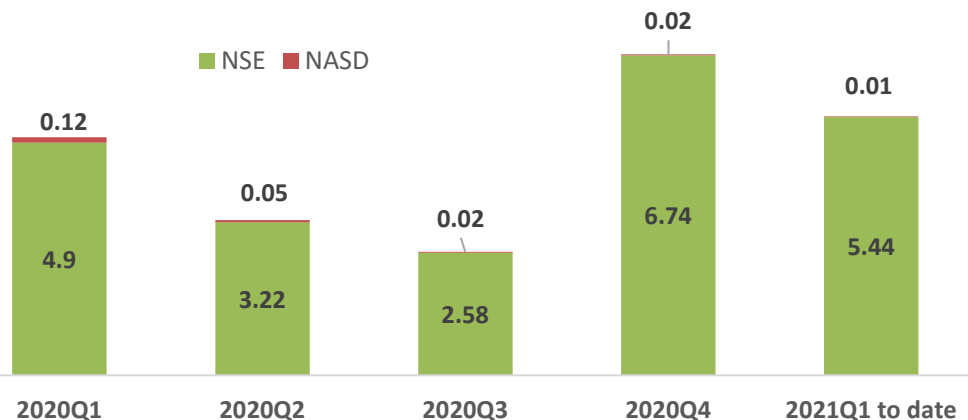


***New Depository Assets and ISIN in 2H'2020***



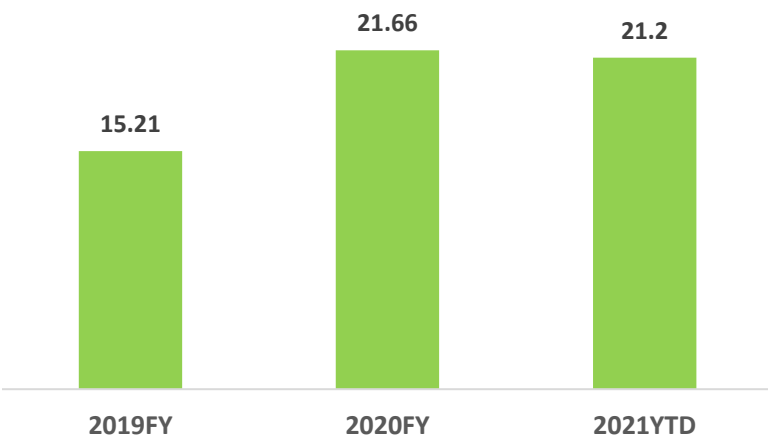
# Clearing & Settlement and Depository Assets Statistics

Average Daily Clearing and Settlement Value (N'Bn)

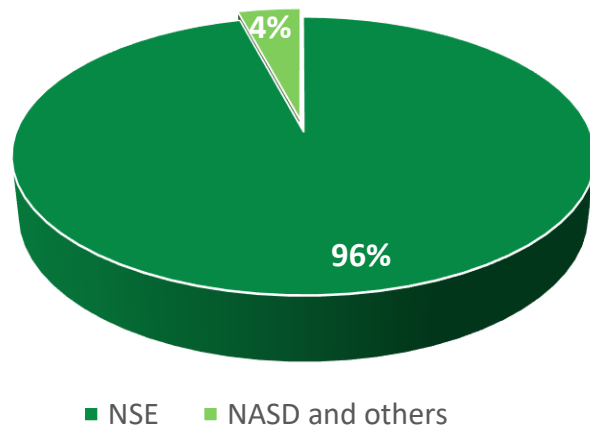


- As the risk-off sentiment that characterized the outbreak of COVID-19 eased, investor sentiment towards equities improved in the fourth quarter of 2020, especially as lower yields on fixed income securities reinforced investor sentiment towards the attractive dividend yield on value stocks.
- Resultantly, CSCS' post-trade settlement activity, albeit skewed towards equities, rose to an average of ₦6.74 billion daily in the fourth quarter of 2020 (from circa ₦3.22 billion and ₦2.58 billion in Q2 and Q3 respectively).
- Interestingly the momentum still subsists, with YTD average daily clearing and settlement value at ₦5.44 billion, some 8.7% year-on-year growth.

Value of Assets in Depository (N'Trn)



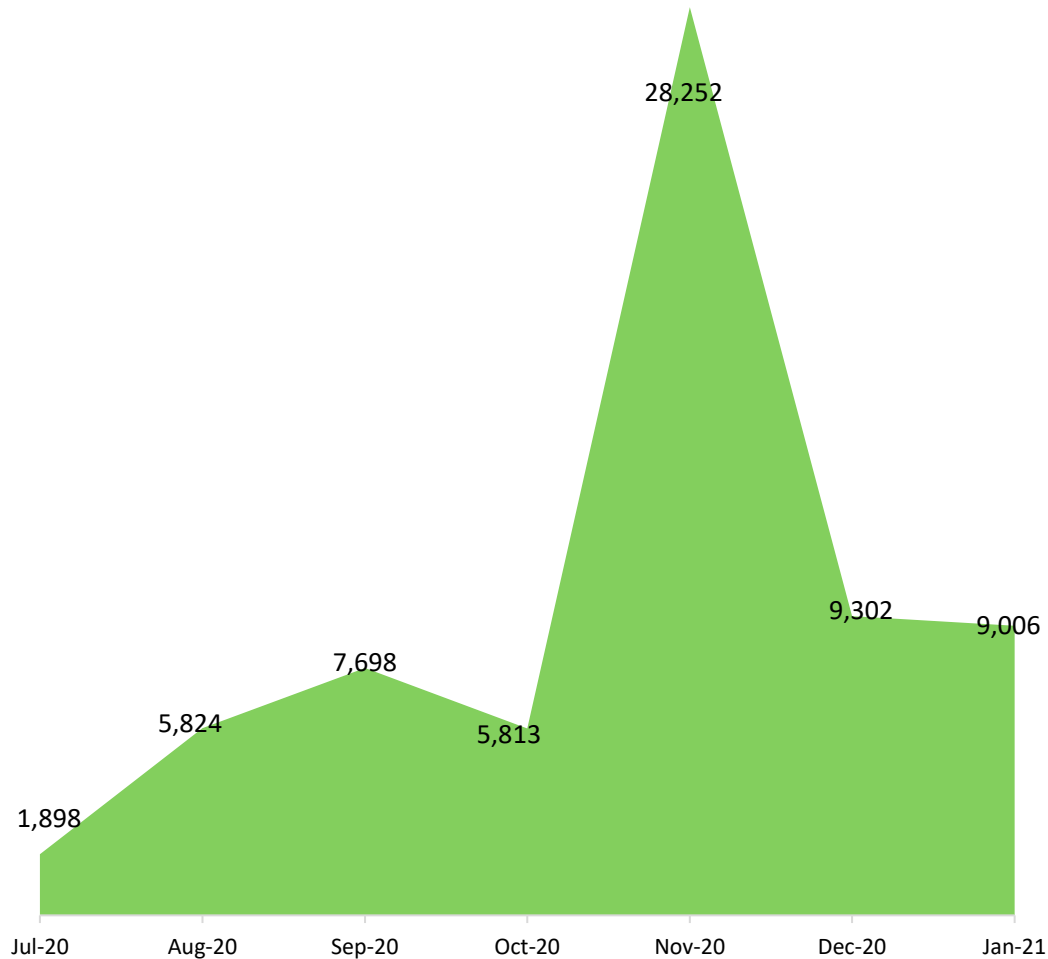
Total Clearing and Settlement Value by Trading Venue



- More so, post-trade activities shows renewed interest and participation of domestic investors - now contributing some 75% of post-trade activities. This further underscores the capacity of the domestic investor base and the need for all stakeholders to increasingly collaborate on deepening domestic investor participation for sustainable growth of the capital market.
- Trades done on the Nigerian Stock Exchange still dominates CSCS' clearing and settlement activities, representing 96% of settlement value in the period, with NASD-OTC Exchange and others accounting for 4% of post-trade settlement activity.

# Investor Data Update Statistics

## Statistics of full KYC Update on the portal



- Reflecting the renewed investor appetite, KYC update activity spiked in November 2020, and has since averaged c.9,200 accounts per month. A total of over 85,590 accounts, representing c.16% of identified accounts with KYC deficiencies, have been updated, in line with the SEC directive.
- To enhance the process and user experience, CSCS has implemented a number of initiatives, including;
  - *Organizing webinars to upscale users' knowledge and experience on the portal*
  - *Provisioning dedicated staff to support brokers in data update and complaint resolutions*
  - *Improved communication*
  - *Application update (based on feedback from the brokerage firms)*
- **Recommendations and next steps:**
  1. *Renewed advocacy for brokerage firms to sensitize clients to update accounts before the need to trade - most account updates were done at the time the investor needs to trade*
  2. *SEC moral suasion and stakeholders' collaboration in educating retail investors on the benefits of the account update. The SEC-led Education Committee may also help in advocating for account update in addition to leveraging NSE Investor Clinic and the media*

# Securities Services Data: Depository Admissions



98 ISINs were issued in the second half of the year, relative to 108 ISINs in 2020H1.

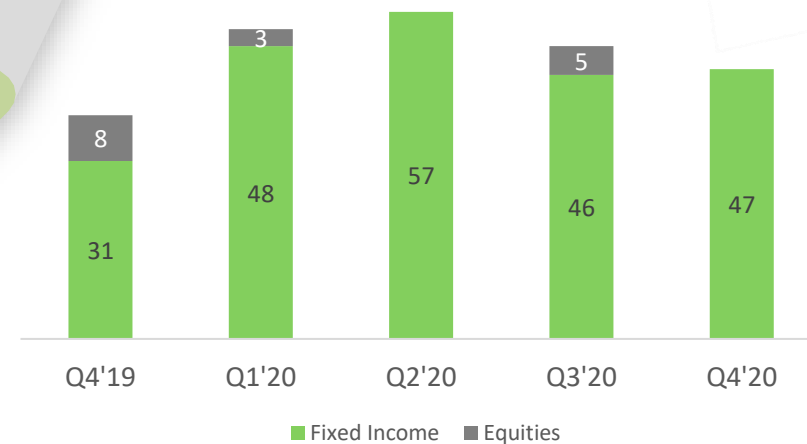


40 new securities were admitted into the depository in 2020H2

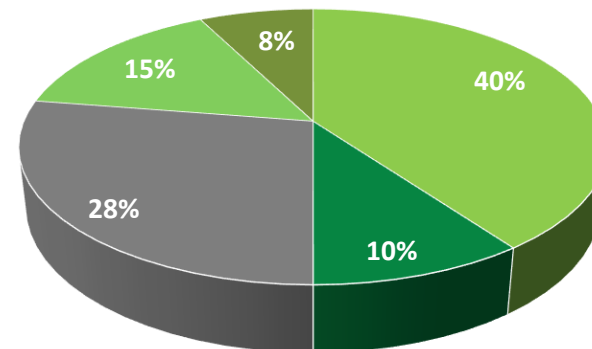


Fixed Income securities dominated new depository asset onboarding in 2H2020, as issuers take advantage of the relatively low yield environment

ISIN Issuance: Number of securities



2020 H2: New Depository Assets



■ CP ■ Corporate Bond ■ FGN Bond ■ Rights ■ Others



*Thank  
you*

