



LAGOS COMMODITIES
& FUTURES EXCHANGE

CAPITAL COMMITTEE (CMC)

MARKET MEETING

AKIN AKEREDOLU-ALE
MD/CEO, LCFE

IMPORTANT DEVELOPMENTS WITH IMPLICATION ON CAPITAL MARKET ACTIVITIES FROM THE LAST CMC MEETING



LAGOS COMMODITIES
& FUTURES EXCHANGE

COMMISSIONING OF THE FIRST SEC LICENSED GOLD EXCHANGE IN NIGERIA

- The Exchange was Commissioned and officially Launched on Thursday, 28th July, 2022 by the Executive Governor of Lagos State. His Excellency Babajide Sanwo- Olu.
- This Event Marked the Official Launch of Gold Trading on the Exchange
- LCFE is grateful to the Commission and the SEC DG for their unwavering support





Gold Commissioned Products

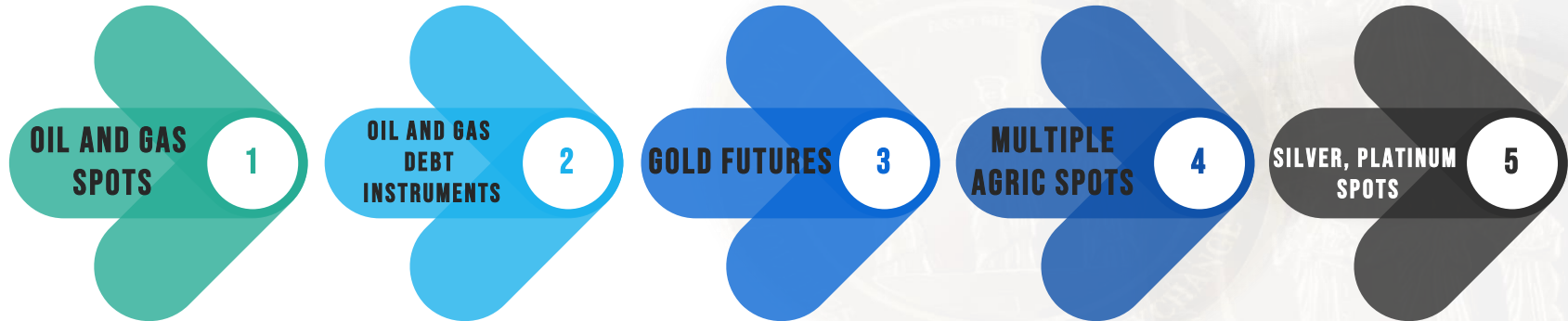
CHARACTERISTICS OF GOLD INSTRUMENTS

1. TRADEABLE
2. TRANSFERABLE
3. STORE OF VALUE
4. HEDGING

Frequently Asked Questions on Gold Trading

How do I trade gold on LCFE?	Gold can be traded on the LCFE platform through any registered Dealing Member Firm
What are the benefits of trading gold on LCFE's platform?	Gold historically has been used as a hedge against inflation and as a portfolio diversifier. The LCFE provides a transparent platform for the trading of gold.
How is the price of gold determined on LCFE?	The price of gold traded on the LCFE is based on the prevailing international price of gold, the cost of production, price of vaulting and a & mark-up by issuer. In other words, the gold is usually sold at a premium.
How do I find a registered Dealing Member Firm ?	A List of Registered Dealing Member Firms are available on the website of the Exchange: https://lcfeng.com/market-operators/
What are the forms of gold tradeable on the Exchange?	Gold tradeable on LCFE can come in forms of Bars, Coins, Dust etc.
What are the current SEC approved specifications of Gold on LCFE?	The Securities and Exchange Commission has approved Gold of 99.99% finesse and purity (24 karats). (More specifications would be available on the Exchange soon.)
Apart from trading what else can I do on LCFE?	Commodity Stakeholders can also raise capital through specially designed financial instruments. Capital can be raised via public investors through LCFE as long as the funds are used for Commodity Based Activities.
What are Commodity Based Activities?	These are activities that cuts across the value chains of the three major asset classes of the Exchange (Agriculture, Oil and Gas and Solid Minerals). These activities include production, mining, refining, logistics, insurance, packaging, certification, storage etc.

UPCOMING AREAS OF DEVELOPMENT FOR LCFE IN Q4



FACTORS RESPONSIBLE FOR THE DEVELOPMENTS



CHALLENGES AND STEPS TAKEN

Challenges

**Slow Response From
Capital Market Community
to Participate in the
Commodities Ecosystem**



**Slow desire from Commodity
Stakeholders to structure
their operations**



**Slow response from FMCGs,
Processors and off takers
to patronize the
Commodities Exchange
For their supply chain**



Steps Taken

**Heavy Sensitization and
Regulatory Support**



**Stakeholder Handholding
Stakeholder Alignment**



**Tokenization Ongoing for Retail
Investors**



ISSUES FOR CMC DELIBERATION



**Regulatory Framework for
Commodities Based Funds
and Capital Raising
Instruments**



**Regulation for Agricultural
Crowd Funding schemes**



**INVESTOR'S SENSITISATION
FOR COMMODITIES THROUGH
SEC FINANCIAL LITERACY
COMMITTEE**



**Regulation for unregistered
Trading Applications**

Nigerian Crude, Types and Specifications

Nigerian Crude

•Bonny Light

API Gravity: 35 degrees
Sulfur Content: 0.2%bbl/mt
Conversion Factor: 7.526
Specifications: [[API 35.4°, S.G. 0.85, Sulphur 0.14, Pour point -18°C, TAN 0.27 mg KOH/g]], Nickel 3.6 wppm, Vanadium 0.4 wppm, Visc. (50°C) 2.9 cSt

Qua Iboe

API Gravity 36 degrees
Sulfur Content: 0.1%bbl/mt
Conversion Factor: 7.45
Specifications: [[[S.G. 0.8487, Sulphur 0.1175, Pour point 60°F, TAN 0.32 mg KOH/g, Nickel 4.1 wppm]]], Vanadium 0.3 wppm, Visc. (20°C) 5.71 cSt

Brass Blend

API Gravity variable
Naphtha: N+2A > 70
Sulphur: 0.13%
Specifications: API 36.25°, S.G. 0.845 conversion rate 7.46, Pour point -36 °C, TAN 0.29 mg KOH/g]], Nickel 2.0 wppm, Vanadium < 2 wppm, Visc. (40°C) 5.2 cSt

Escravos

API Gravity: 33.0-33.5 degrees
Sulfur Content: 0.15-0.18%.
Specifications: [[[S.G. 0.85, Conversion Rate 7.5, Pour point 7 °C, TAN 0.53 mg KOH/g, Nickel 4.8 wppm]]], Vanadium 0.5 wppm, Visc. (40°C) 4.75 cSt

Forcados

API Gravity: 30 Degrees
Sulfur content: 0.2%bbl/mt
Conversion Factor: 7.223
Specifications: [[[Pour point -27 °C, TAN 0.34 mg KOH/g, Nickel 3.9 wppm, Vanadium 1.0 wppm]]], Visc. (50°C) 4.6 cSt

THANK YOU

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