

Presentation to the Capital Market Committee (CMC)

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Exchange Traded Derivatives – Current Landscape

Although the infrastructure required for trading and clearing is fully operational, the pace of market adoption remains slow. The primary constraint has been identified as a knowledge gap among key market participants, limiting their ability to fully engage with the available offerings.

In response, NG Clearing is actively pursuing a strategy centered on education, capacity building, and collaboration with stakeholders. Sustained engagement remains essential to deepen understanding, foster trust, and accelerate uptake across the ecosystem.



Through structured training and continuous stakeholder engagement, NG Clearing seeks to deepen the understanding of derivatives products. The long-term objective is to close the prevailing knowledge gap and enhance overall market confidence and participation.

Collaborative Curriculum

We have successfully designed a comprehensive derivatives training curriculum.

This was done in collaboration with key stakeholders across the ecosystem, ensuring relevance and practical alignment with the Nigerian market.



Training Roll-out

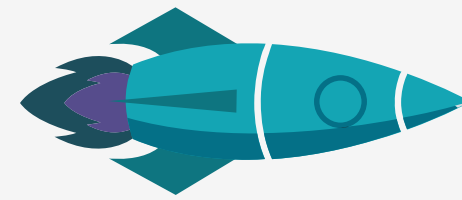
The curriculum is set to be rolled out in the coming months. The target audience includes market operators, institutional investors, and regulators.

The training is expected to serve as a foundational step toward building widespread market competence in derivatives trading and clearing.

SEC NCMI Training

As part of our market and awareness strategy, I recently took part in the SEC's National Capital Market Institute (NCMI) training program.

This high-level engagement reinforces NG Clearing's thought leadership and ongoing commitment to promoting market-wide education and capacity building in Nigeria's capital market.



Expanding our Product Offerings

NG Clearing is actively working with various exchanges to co-develop and broaden the spectrum of exchange-traded and cleared products in Nigeria's capital market. These partnerships are central to unlocking new asset classes and deepening market engagement.

Some Innovative Products in the Pipeline

As part of our product diversification strategy, we are currently partnering with various stakeholders to launch new instruments that cater to both local and global investment interests, as follows:

- **Commodity Derivatives** – to support Nigeria's growing commodities ecosystem, with an initial focus on agriculture.
- **Gas Exchange Derivatives** – to explore the energy markets by developing instruments that facilitate hedging and investment in natural gas.
- **Alternative Instruments (e.g., MUSIQ Index)** – to introduce bespoke indices like the MUSIQ Index that track curated market segments and offer exposure to unique investment themes.

While drawing inspiration from global trends in derivatives markets, our offerings are being carefully tailored to address local investor preferences, regulatory structures, and market maturity levels.

• Securities Lending & Collateral Management

NG Clearing is actively exploring the integration of securities lending and collateral management solutions into its service offerings. These post-trade enhancements are designed to support liquidity, improve capital efficiency, and deepen the market. However, this is currently awaiting SEC approval to kick start.

• Real Estate Crowdfunding Initiatives

Recognizing the growing interest in alternative investment channels, we are assessing opportunities in the real estate crowdfunding space. This model has the potential to democratize access to property investments through structured market mechanisms.

NG Clearing continues to position itself as a forward-looking market infrastructure institution, committed to financial innovation that addresses current gaps while anticipating future market needs. Our strategic priorities are geared towards introducing services and solutions that promote transparency, security, and efficiency in Nigeria's capital market.



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CONCLUSION

Key Points To Note

- Market uptake remains slow despite infrastructure readiness
- Primary challenge: **knowledge gap** among market participants
- Curriculum designed by NG Clearing in collaboration with key market stakeholders
- Training roll-out is in view – targeting market operators, institutional investors, and regulators
- Collaboration with exchanges to broaden product scope
- Exploring **securities lending** and **collateral management** to enhance post-trade services - currently awaiting SEC approval to kick start

Thank You

