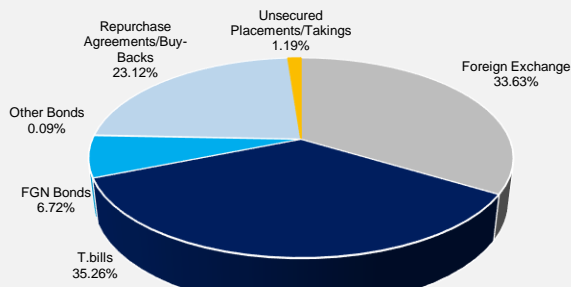


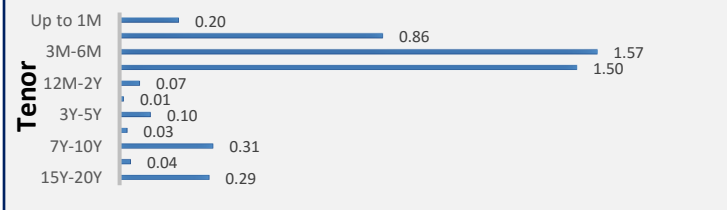
OTC Turnover



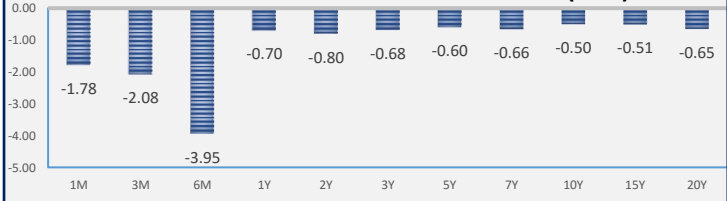
FX MARKET TURNOVER (\$'bn)

	December	November	MoM ^Δ (\$'bn)	MoM Δ (%)
Inter-Member				
FX Spot	0.69	1.26	-0.57	-45.11
FX Swaps	0.27	0.18	0.08	44.37
FX Futures	0.00	0.00	0.00	0.00
Others	0.03	0.02	0.00	62.49
Total	0.99	1.74	-0.76	-43.45
Member-Clients				
FX Spot	5.19	2.37	2.83	119.57
FX Swaps	1.52	2.09	-0.56	-26.91
FX Futures	0.70	0.47	0.23	50.38
Others	0.38	0.42	-0.04	-8.42
Total	8.33	9.27	-0.94	-10.16
Member-CBN				
FX Spot	1.51	1.76	-0.25	-14.39
FX Swaps	0.00	0.00	0.00	0.00
FX Futures	0.77	0.78	0.00	-0.43
Others	0.67	0.79	-0.12	-15.76
Total	3.54	4.06	-0.52	-12.80
Total Turnover	12.86	15.08	-2.22	-14.72

FIXED INCOME TURNOVER (₦'TRN)



BENCHMARK SECURITIES' YIELD (Δ%)



MONEY MARKET TURNOVER (₦'bn)

	December	November	MoM Δ (₦'bn)	MoM Δ (%)
Repurchase Agreement/buy backs	2,741.47	3,417.27	(675.79)	(19.78)
Unsecured Placement/Takings	141.37	226.46	(85.09)	(37.58)
Total	2,882.84	3,643.73	(760.89)	(20.88)

MARKET ACTIVITY - EXECUTED TRADES (COUNT)

	December			November			MoM Δ (%)
	AFO ⁶	RFQ ⁷	Total	AFO	RFQ	Total	
T.bills	356	13,544	13,900	757	13,430	14,187	-2.02%
FGN bonds	1,158	1,249	2,407	1,353	872	2,225	8.18%
Total	1,514	14,793	16,307	2,110	14,302	16,412	-0.64%

Notes:

* "Others" include FX Forwards, Options & Cross Currency Interest Rate Swaps

1 – Year-on-Year; 2 – Month-on-Month; 3 – Change; 4 – Central Bank of Nigeria; 5 – Federal Government of Nigeria; 6 – Anonymous Firm Order; 7 – Request-for-Quote; 8 – Overnight; 9 – Nigerian Inter-Bank Offered Rate

Source: FMDQ OTC Securities Exchange

DISCLAIMER: This report is produced by the Market Development Group of FMDQ OTC Securities Exchange (FMDQ) for information purposes only. FMDQ is NOT an investment advisor, and does not endorse or recommend any securities or other investments. Market data and other information in this report, as well as reference materials and/or links to other sites, have been compiled from publicly available sources believed to be reliable and are for general informational purposes only. This report does not constitute any offer, recommendation or solicitation to any person to enter any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction to likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration contained therein. All rates and figures appearing are for illustrative purposes only. To the extent that the research data emanate from public sources, the accuracy or completeness of the information contained herein is not guaranteed and is not intended to be relied upon for investment purposes. All information is provided "as is" without warranty of any kind. FMDQ (and affiliates) and the third-party information providers make no representations and disclaim all express, implied, and statutory warranties of any kind to the user and/or any third party including warranties as to accuracy, timeliness, completeness, merchantability, or fitness for any purpose. Unless, in the event of willful tortious misconduct or gross negligence, FMDQ (and affiliates) and the third-party information providers have no liability in tort, contract, or otherwise (and as permitted by law, product liability), to user and/or any third party. FMDQ (and affiliates) and the third-party information providers shall under no circumstance be liable to user, and/or any third party for any lost profits or lost opportunity, indirect, special, consequential, incidental, or punitive damages whatsoever, even if FMDQ has been advised of the possibility of such damages.

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OTC Market Summary

- Transaction turnover in the Fixed Income and Currencies (FIC) markets for the month of December amounted to ₦11.86trn; a 20.15% (₦2.99trn) decrease from the value recorded in November, and a 3.26% (₦0.39trn) decrease YoY¹ as secondary market activities decelerated in the last month of the year
- Activities in the Nigerian Treasury Bills (T.bills) market accounted for 35.25% (37.81% in November) of market turnover, while the Foreign Exchange (FX) market accounted for 33.63% (32.27% in November) of the total turnover. The Money Market (Repurchase Agreements (Repos)/Buy-Backs & Unsecured Placements/Takings) accounted for 24.30% (24.54% in November) of market turnover. These three (3) segments contributed 93.10% to the total turnover in the FIC markets

FX Market

- Transactions in the FX market settled at \$12.86bn in December, a decrease of 34.72% (\$2.22bn) when compared with the value recorded in November (\$15.08bn)
- In the month under review, the Naira depreciated slightly in the Investors' & Exporters' (I&E) FX Window closing at \$/₦360.33 (from \$/₦360.32 as at December 1, 2017) whilst also trading at a discount to the parallel market which opened and closed at the same rate of \$/₦363.00 in the month of December. The CBN⁴ Official Spot rate appreciated slightly, gaining ₦1.00 to close at \$/₦306.00 (from \$/₦307.00 as at December 1, 2017)
- Total value traded at the I&E FX Window in December settled at \$3.84bn, a decrease of 14.92% (\$0.67bn) relative to the value recorded in November (\$4.51bn). Total value traded at the I&E FX Window since inception (April 21, 2017) stands at \$26.21bn
- Inter-Member trades recorded \$0.99bn in the month of December, a decrease of 43.45% (\$0.76bn) relative to the trades recorded in November (\$1.74bn), and a 32.67% increase YoY. Member-Client trades stood at \$8.33bn, decreasing by 10.16% (\$0.94bn) from the previous month and increasing by 34.19% (\$2.12bn) YoY
- Member-CBN trades recorded \$3.54bn in December (\$4.06bn in November), representing a decrease of 12.80% (\$0.52bn) MoM and an increase of 143.64% (\$2.09bn) YoY
- The 18th Naira-settled OTC FX Futures contract, NGUS DEC 27, 2017, worth \$499.20mm, matured and settled in December, whilst a new 12-month contract – NGUS DEC 26, 2018 – for \$1.00bn, was introduced by the CBN at \$/₦362.84

Fixed Income Market (T.bills and FGN⁵ bonds)

- Turnover in the Fixed Income market in the month under review settled at ₦4.98trn, a 22.33% decrease (₦1.43trn) MoM. Transactions in the T.bills market accounted for 83.99% of the overall Fixed Income market, from 87.60% the previous month
- Outstanding T.bills at the end of the month stood at ₦10.59trn, an increase of 2.74% (₦0.28trn) MoM (₦10.31trn in November). FGN bonds outstanding value also increased by 1.58% (₦0.12trn) MoM to close at ₦7.56trn, from ₦7.44trn in November
- Trading intensity in the Fixed Income market for the month under review settled at 0.38 and 0.11 for T.bills and FGN bonds respectively, from 0.54 and 0.11, recorded the previous month respectively. T.bills between the three (3) and six (6) months maturity buckets became the most actively traded, accounting for a turnover of ₦1.57trn in December
- Short-term yields on the sovereign yield curve dropped an average of 3.06%, whilst, yields in the medium- and long-term spectrum gained 2.60% & 1.20% respectively
- The spread between 10-year and 3-month benchmark yields closed positive at 2.78% points for December (-1.63% in November) indicating an increase in the demand for short-dated securities following the announcement of the Debt Management Office's plans to redeem ₦198bn worth of T.bills maturing in the month under review

Money Market (Repos/Buy-Backs and Unsecured Placements/Takings)

- Activities in the Secured Money Market (i.e. Repos/Buy-Backs) settled at ₦2.74trn in December 19.78% (₦0.67trn) less than the value recorded in November (₦3.41trn). On a YoY basis, turnover on Repos/Buy-Backs recorded a 7.75% (₦0.19trn) increase from the (₦2.54trn) recorded in December 2016
- Unsecured Placements/Takings closed the month at a turnover of ₦141.37bn, a 37.58% (₦0.85bn) decrease from the figure recorded in November (₦226.46bn) and a 42.57% (₦104.77bn) decrease on YoY basis (₦246.14bn as at December 2016)
- Average O/N⁸ NIBOR⁹ for the period under review stood at 8.55% (21.62% in November), signifying a significant increase in inter-bank liquidity supported primarily by regular inflows and reduced mop-up activity by the CBN

Market Surveillance

- The number of executed trades captured on the E-Bond Trading System in December amounted to 16,307 as against 16,412 recorded in November
- Executed T.bills trades fell by 2.02% (287) while FGN bonds increased by 8.18% (182)