

Chart 1: FIC Market Turnover (₦'trn)

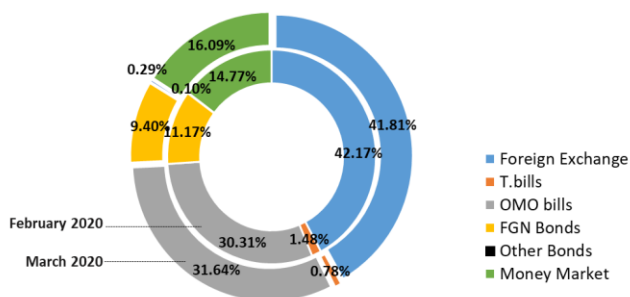


Table 1 - FX Market Turnover (\$'bn)

Trade Type	Product Type	March	February	MoM Δ ⁴ (\$'bn)	MoM Δ (%)
Inter-Member*	FX Spot	1.27	1.75	(0.48)	(27.58)
	FX Forwards	0.02	0.04	(0.02)	(46.53)
	FX Swaps	0.60	0.30	0.30	103.09
	FX Futures	0.02	0.01	0.01	90.33
	Others**	1.04	0.92	0.12	13.50
	FX Derivatives	1.67	1.26	0.41	32.58
Total		2.94	3.01	(0.07)	(2.43)
Member-Client	FX Spot	7.66	9.42	(1.76)	(18.67)
	FX Forwards	0.70	0.88	(0.19)	(21.26)
	FX Swaps	3.29	2.90	0.39	13.34
	FX Futures	3.01	2.65	0.36	13.64
	Others	0.26	0.29	(0.04)	(12.12)
	FX Derivatives	7.25	6.73	0.52	7.80
Total		14.91	16.15	(1.23)	(7.65)
Member-CBN ⁵	FX Spot	5.01	4.04	0.98	24.23
	FX Forwards	0.92	0.87	0.06	6.50
	FX Swaps	0.00	0.00	0.00	0.00
	FX Futures	4.24	3.06	1.18	0.00
	Others	0.90	0.00	0.90	0.00
	FX Derivatives	6.06	3.93	2.13	54.28
Total		11.07	7.96	3.11	39.05
Total Turnover		28.92	27.12	1.80	6.64

Chart 2: Trend in Trading Intensity

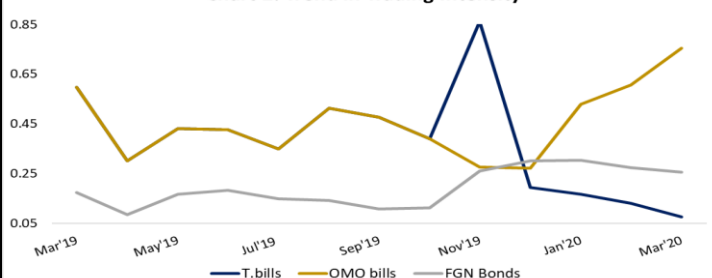
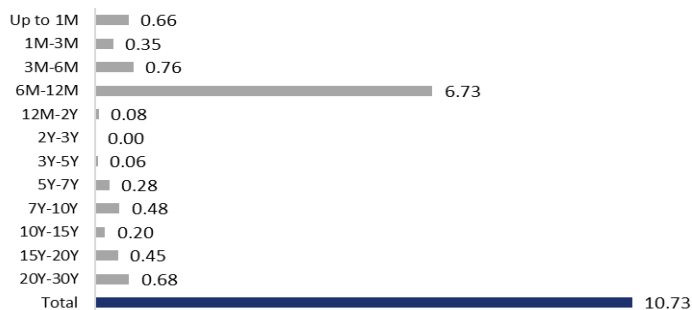


Chart 3: Fixed Income Turnover - March 2020 (₦'trn)



Notes:
*Member - All references to Member means Dealing Member (Banks); **Others includes Options & Cross Currency Interest Rate Swaps;

1 - Month-on-Month; 2 - Year-on-Year; 3 - Open Market Operations; 4 - Change; 5 - Central Bank of Nigeria; 6 - March 20, 2020; 7 - Treasury Bills; 8 - Federal Government of Nigeria

FIC Market Summary

- Turnover in the Fixed Income and Currency ("FIC") markets for the month ended March 31, 2020 was ₦25.66trn, representing a MoM¹ increase of 9.33% (₦2.19trn) from the turnover recorded in February 2020 (₦23.47trn) and a YoY² decrease of 11.46% (₦3.32trn) from the turnover recorded in March 2019 (₦28.98trn)
- Foreign Exchange ("FX") and OMO³ bills remained the most actively traded products, jointly accounting for 73.45% of the total FIC market turnover recorded in March 2020. (See Chart 1)

FX Market

- Total FX market turnover in March 2020 was \$28.92bn (₦10.73trn), representing a MoM increase of 6.64% (\$1.80bn) from the turnover recorded in February 2020 (\$27.12bn). (See Table 1)
- Analysis of FX market turnover by trade type indicated that the MoM increase in FX turnover was driven by the 39.05% (\$3.11bn) MoM increase in Member-CBN trade type to \$11.07bn, offsetting the MoM decreases recorded in Inter-Member and Member Client trade types which recorded 2.43% (\$0.07bn) and 7.65% (\$1.23bn) decreases respectively in March 2020 (See Table 1). Further, analysis of FX market turnover by product type indicated that the MoM increase recorded was driven by the MoM increase of 25.77% (\$3.07bn) in FX Derivatives turnover, despite the 8.34% (\$1.27bn) decrease in FX Spot turnover
- In the OTC FX Futures market, the near month contract (NGUS MAR 25 2020) with a notional amount of \$1.28bn matured and was settled, whilst a new far month contract, NGUS MAR 26 2025 was introduced at an initial contract rate of \$/₦405.16. The total notional amount of open OTC FX Futures contracts as at March 31, 2020 stood at c.\$14.53bn, representing a \$3.66bn increase on the value of open contracts as at February 28, 2020 (c.\$10.87bn), while the total notional amount of OTC FX Futures contracts matured and settled to-date stands at \$43.36bn
- The CBN adjusted its Official Spot US\$/₦ exchange rate from \$/₦306.95 in February 2020 to \$/₦361.00 in March 2020⁶ representing a depreciation of \$/₦54.05 (17.61%). The Nigerian Naira depreciated against the US Dollar in both the Investors' and Exporters' ("I&E") FX Window and parallel market by \$/₦20.30 and \$/₦55.00 to close at \$/₦385.55 and \$/₦415.00 respectively in March 2020 (I&E FX Window - \$/₦365.25; parallel market - \$/₦360.00 as at February 28, 2020) due to the plunge in crude oil prices and the impact of the Coronavirus disease ("COVID-19") pandemic on global economic output

Fixed Income Market (T.bills⁷, OMO bills and FGN⁸ Bonds)

- As at March 31, 2020, total T.bills outstanding remained flat at ₦2.65trn; OMO bills outstanding decreased to ₦10.44trn from ₦11.00trn as at February 28, 2020, while FGN Bonds outstanding increased marginally by 0.85% (₦0.08trn) to ₦9.47trn
- Liquidity in the T.bills market segment declined further in March 2020 as trading intensity fell to 0.08 from 0.13 in February 2020 as investors continue to hold their T.bills investment to maturity and discount rates on new issuances fell further by a range of 41bps - 117bps in March 2020. Conversely, the trading intensity for OMO bills increased from 0.61 to 0.76 in March 2020 as OMO bills turnover recorded a MoM increase of 14.04% (₦1.00trn) to ₦8.12trn despite the drop in outstanding OMO bills MoM. Trading intensity for FGN Bonds decreased MoM to 0.26 in March 2020 from 0.28 as FGN Bonds turnover decreased MoM by 8.02% (₦0.21trn). YoY trading intensity for bills (T.bills and OMO bills combined) stood at 1.24 in March 2020, compared to 0.60 recorded in March 2019, whilst FGN Bonds stood at 0.26 in March 2020, compared to 0.18 recorded in March 2019. (See Chart 2)
- In March 2020, Bills within the 6M - 12M maturity bucket remained the most traded across all tenors on the sovereign yield curve, accounting for 62.72% of the total Fixed Income market turnover. FGN Bonds within the 20Y - 30Y maturity bracket were the most traded among the medium to long-term securities (i.e. 5Y - 30Y), accounting for 6.34% of the total Fixed Income market turnover. (See Chart 3)

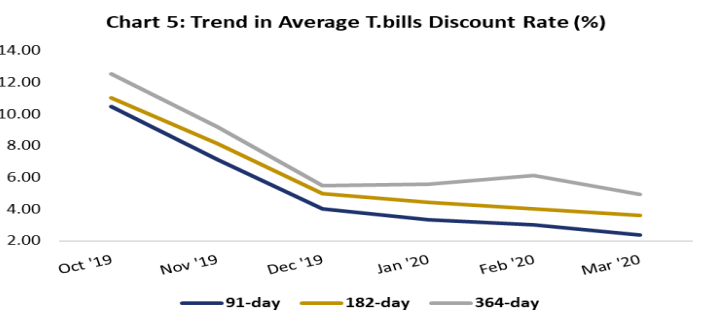
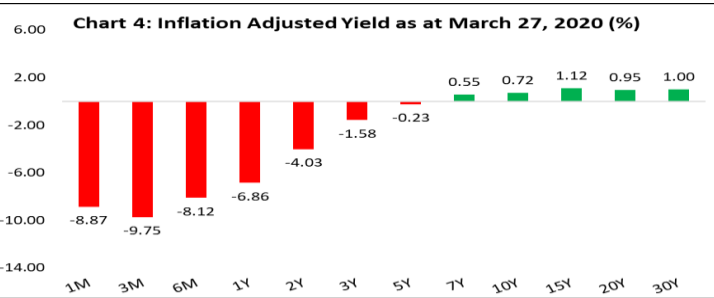


Table 2 - Money Market Turnover (₺trn)

	Mar-20	Feb-20	MoM Δ (₺'bn)	MoM Δ (%)	Mar-19	YoY Δ (₺'bn)	YoY Δ (%)
Repos/Buy-Backs	3.91	3.22	0.69	21.44	5.38	(1.47)	(27.26)
Unsecured Placements / Takings	0.21	0.24	(0.03)	(12.27)	0.15	0.07	45.90
Total	4.13	3.47	0.66	19.07	5.53	(1.40)	(25.33)

Table 3 - Market Activity - Executed Trade Count

	March			February			MoM Δ (%)
	AFO ¹¹	RFQ ¹²	Total	AFO	RFQ	Total	
Bills	106	7,442	7,548	227	8,544	8,771	(13.94)
FGN Bonds	115	1,746	1,861	283	2,595	2,878	(35.34)
Total	221	9,188	9,409	510	11,139	11,649	(19.23)

Notes:
 9 – Overnight; 10 – Open Buy-back; 11 – Anonymous Firm Order; 12 – Request-for-Quote

- Weighted average yields on short-term maturities decreased by 267bps, while weighted average yields on the medium-term and long-term fixed income maturities increased by 345bps and 107bps respectively in March 2020, driven by the increased demand for short-term securities by investors in the fixed income market. Additionally, inflation-adjusted yield remained negative across all short-term securities (1M-3Y), whilst medium to long-term securities (i.e. 5Y-30Y) excluding the 5Y tenor, recorded positive inflation adjusted yields in March 2020. (See Chart 4)

- The average discount rates for T.bills at the primary market declined further in March 2020, as the discount rates on the 91-day, 182-day and 364-day T.bills fell to 2.40%, 3.59% and 4.95% respectively, from 3.00%, 4.00% and 6.12% recorded in February 2020 (See Chart 5). However, marginal rates for the 5-year, 10-year and 30-year FGN Bonds increased to 10.00%, 12.50% and 12.98% respectively, from 8.75%, 10.70%, 12.15% recorded in February 2020

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

- Total turnover in the Money Market increased MoM by 19.07% (₺0.66trn) to ₺4.13trn in March 2020, however, this represented a YoY decrease of 25.33% (₺1.40trn) from the turnover recorded in March 2019 (₺5.53trn). The MoM increase in Money Market turnover was driven by the MoM increase in Repurchase Agreements/Buy-Backs segment which grew by 21.44% (₺0.69trn) to ₺3.91trn in March 2020 from ₺3.22trn recorded in February 2020

- Conversely, turnover in Unsecured Placements/Takings decreased MoM by 12.27% (₺0.03trn) to ₺0.21trn in March 2020, but represented a YoY increase of 45.90% (₺0.07trn) from the turnover recorded in March 2019. (See Table 2)

- Average O/N⁹ and OBB¹⁰ rates both increased by 303bps to close at an average of 11.26% and 10.46% respectively in March 2020 from 8.24% and 7.42% in February 2020, indicating a further decrease in liquidity in the inter-bank market

Market Surveillance

- Total number of executed trades reported on the Bloomberg E-Bond Trading System in March 2020 was 9,409, representing a MoM decrease of 19.23% (2,240) against the number of executed trades recorded in February 2020 (11,649), driven by the decrease recorded across all executed trade types on Bills and FGN Bonds (See Table 3). This decrease can be attributed to factors such as lack of liquidity in the fixed income market due to limited supply of FGN Bonds and bills in the market, triggered by the COVID-19 pandemic