

Chart 1: FIC Market Turnover (₦'trn)

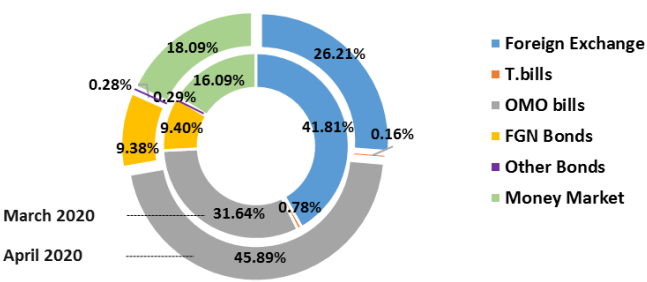


Table 1 - FX Market Turnover (\$'bn)

Trade Type	Product Type	April	March	MoM Δ ⁴ (\$'bn)	MoM Δ (%)
Inter-Member*	FX Spot	0.75	1.27	(0.52)	(40.96)
	FX Forwards	0.01	0.02	(0.02)	(76.86)
	FX Swaps	0.31	0.60	(0.29)	(48.91)
	FX Futures	0.01	0.02	(0.00)	(18.70)
	Others**	0.29	1.04	(0.74)	(71.69)
	FX Derivatives	0.62	1.67	(1.06)	(63.13)
	Total	1.36	2.94	(1.58)	(53.58)
Member-Client	FX Spot	1.91	7.66	(5.75)	(75.01)
	FX Forwards	0.58	0.70	(0.11)	(16.42)
	FX Swaps	1.99	3.29	(1.30)	(39.39)
	FX Futures	2.07	3.01	(0.93)	(31.04)
	Others	0.24	0.26	(0.02)	(6.46)
	FX Derivatives	4.89	7.25	(2.36)	(32.55)
	Total	6.81	14.91	(8.11)	(54.36)
Member-CBN	FX Spot	0.16	5.01	(4.85)	(96.82)
	FX Forwards	0.49	0.92	(0.44)	(47.42)
	FX Swaps	0.00	0.00	0.00	0.00
	FX Futures	2.34	4.24	(1.89)	(44.70)
	Others	0.20	0.90	(0.70)	(77.78)
	FX Derivatives	3.03	6.06	(3.03)	(50.02)
	Total	3.19	11.07	(7.89)	(71.21)
Total Turnover	11.36	28.92	(17.57)	(60.73)	

Chart 2: Trend in Average T.bills Discount Rate (%)

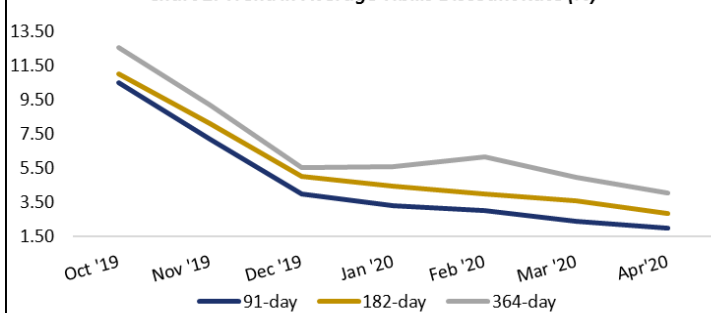
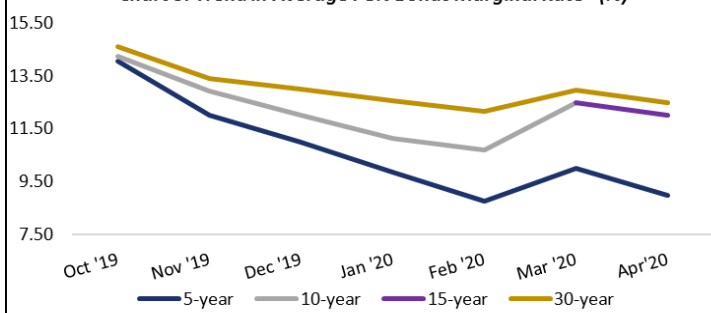


Chart 3: Trend in Average FGN Bonds Marginal Rate⁷ (%)



Notes:
*Member - All references to Member means Dealing Member (Banks); Inter-Member Turnover reported includes both sides of the transaction; **Others includes Options & Cross Currency Interest Rate Swaps;

1: Month-on-Month; 2: Year-on-Year; 3: Open Market Operations; 4: Change; 5: Treasury Bills; 6: Federal Government of Nigeria; 7: The Debt Management Office did not issue a 10-year Bond, instead it issued a 15-year Bond during its monthly FGN Bond Auction in March 2020

FIC Market Summary

- Turnover in the Fixed Income and Currency (“FIC”) markets for the month ended April 30, 2020 was ₦16.70trn, representing a MoM¹ decrease of 34.92% (₦8.96trn) from the turnover recorded in March 2020 (₦25.66trn), whilst recording a YoY² increase of 2.02% (₦0.33trn) from the turnover recorded in April 2019 (₦16.37trn)
- Foreign Exchange (“FX”) and OMO³ bills remained the most actively traded products, jointly accounting for 72.10% of the total FIC market turnover recorded in April 2020. (See Chart 1)

FX Market

- Total FX market turnover in April 2020 was \$11.36bn (₦4.38trn), representing a MoM decrease of 60.73% (\$17.57bn) from the turnover recorded in March 2020 (\$28.92bn; ₦10.73trn). This was driven mainly by the decline in economic activities and foreign capital inflows due to the Coronavirus Disease (“COVID-19”) pandemic, resulting in a decrease in FX supply, exacerbated by the temporary cessation of the periodic FX supply by the Central Bank of Nigeria (“CBN”) through its intervention sales in April 2020
- Analysis of FX market turnover by trade type indicated that all categories recorded a MoM decrease in April 2020. The Member-Client category accounted for 46.16% (\$8.11bn) of the total MoM decrease in FX turnover in April 2020, representing the highest decrease across all trade categories (See Table 1). Additionally, analysis of FX market turnover by product type indicated that FX Spot turnover and FX Derivatives turnover recorded MoM decreases of 79.76% (\$1.12bn) and 43.03% (\$6.45bn) respectively in April 2020
- In the OTC FX Futures market, the near month contract (NGUS APR 29 2020) with an outstanding notional amount of \$1.52bn matured and was settled, whilst a new far month (60-month) contract, NGUS APR 30 2025 was introduced at a contract rate of \$/₦413.36. The total notional amount of open OTC FX Futures contracts as at April 30, 2020 stood at c.\$15.00bn, representing a 3.23% (\$0.47bn) increase on the value of open contracts as at March 31, 2020 (c.\$14.53bn), while the total notional amount of OTC FX Futures contracts traded to-date stood at \$45.35bn as at April 30, 2020
- The CBN Official Spot US\$/₦ exchange rate remained flat at \$/₦361.00, as at April 30, 2020 compared to the rate as at March 31, 2020, while the Nigerian Naira depreciated against the US Dollar at the Investors’ and Exporters’ (“I&E”) FX Window by \$/₦1.75 (\$/₦385.55 as at March 31, 2020) to close at \$/₦387.30 in April 2020. In the parallel market, the Nigerian Naira depreciated by \$/₦35.00 to close at \$/₦450.00 (March 31, 2020 - \$/₦415.00), increasing the spread between exchange rates in the I&E FX window and the parallel market by 112.90% (₦33.25) to ₦62.70 from the spread recorded in March 2020

Fixed Income Market (T.bills⁵, OMO bills and FGN⁶ Bonds)

- In the primary market, average discount rates on the 91-day, 182-day and 364-day T.bills declined further in April 2020 to 1.99%, 2.81% and 4.05% from 2.40%, 3.59% and 4.95% recorded in March 2020 respectively (See Chart 2). Similarly, average marginal rates for the 5-year, 15 year and 30-year FGN Bonds decreased to 9.00%, 12.00% and 12.50% from 10.00%, 12.50% and 12.98% respectively recorded in March 2020, as FGN Bonds were oversubscribed by an average of 459.45% at the April 2020 FGN Bond auction. (See Chart 3)
- As at April 30, 2020, total T.bills outstanding value remained flat at ₦2.65trn; OMO bills outstanding recorded a MoM decrease of 4.79% (₦0.50trn) to ₦9.94trn, while the total FGN Bonds outstanding value also recorded a MoM increase of 1.80% (₦0.17trn) to ₦9.64trn from ₦9.47trn as at March 31, 2020
- Liquidity in the secondary market for T.bills declined further in April 2020 as trading intensity fell to 0.01 from 0.08 in March 2020, with T.bills turnover decreasing MoM by 85.00% (₦0.17trn) to ₦0.03trn due to investors holding their T.bills investments to maturity. Trading intensity for OMO bills decreased marginally to 0.75 in April 2020 from 0.76 in March 2020, the first (1st) MoM decrease in 2020 due to the MoM decrease in OMO bills turnover by 5.54% (₦0.45trn). Trading intensity for FGN Bonds also decreased MoM to 0.16 in April 2020 from 0.26, as FGN Bonds turnover also decreased MoM by 34.85% (₦0.84trn) to ₦1.57trn, all as a result of lower activity due to the COVID-19 pandemic and its associated impact on financial markets globally
- However, trading intensity for bills (T.bills and OMO bills combined) and FGN Bonds increased YoY to 1.20 and 0.16 respectively in April 2020, compared to 0.30 and 0.08 recorded in April 2019. (See Chart 4)

Chart 4: Trend in Trading Intensity

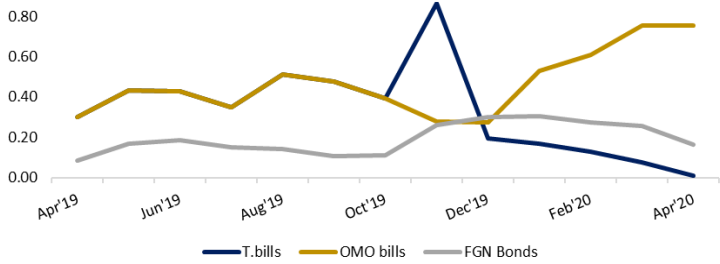


Chart 5: Fixed Income Turnover - April 2020 (₦'trn)



Chart 6: Inflation Adjusted Yield as at Apr. 30, 2020 ^ (%)

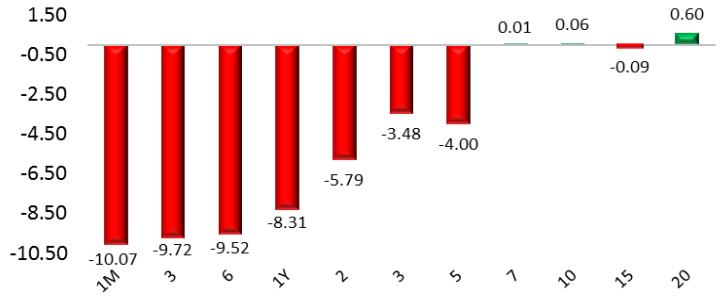


Table 2 - Money Market Turnover (₦'trn)

	Apr-20	Mar-20	MoM Δ (₦'trn)	MoM Δ (%)	Apr-19	YoY Δ (₦'trn)	YoY Δ (%)
Repos/Buy-Backs	2.97	3.91	(0.94)	(24.04)	4.09	(1.12)	(27.37)
Unsecured Placements / Takings	0.05	0.21	(0.16)	(76.19)	0.09	(0.04)	(44.04)
Total	3.02	4.13	(1.11)	(26.88)	4.18	(1.16)	(27.75)

Table 3 - Market Activity - Executed Trade Count

	Apr-20			Mar-20			MoM Δ (%)	Apr-19 Total	YoY Δ (%)
	AFO ¹⁰	RFQ ¹¹	Total	AFO	RFQ	Total			
Bills	41	2,737	2,778	106	7,442	7,548	(63.20)	10,158	(72.65)
FGN Bonds	89	1,607	1,696	115	1,746	1,861	(8.87)	1,408	20.45
Total	130	4,344	4,474	221	9,188	9,409	(52.45)	11,566	(61.32)

Notes:

^ Adjusted with the March 2020 Headline Inflation rate

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

- In April 2020, bills within the 6M - 12M maturity bucket remained the most traded across all tenors on the sovereign yield curve, accounting for 76.46% of the total Fixed Income market turnover. FGN Bonds within the 20Y – 30Y maturity bucket remained the most traded debt capital market securities, accounting for 5.40% of total fixed income market turnover. (See Chart 5)
- Weighted average yields on short-term and medium-term maturities increased by 256bps and 754bps respectively in April 2020, due to sell-offs by foreign portfolio investors seeking to exit their Nigerian investments, while the weighted average yields on long-term maturities decreased by 86bps in April 2020. Additionally, inflation-adjusted yield remained negative across all short-term securities (1M - 3Y), while medium to long-term securities (i.e. 5Y - 20Y) excluding the 5Y and 15Y tenors, recorded positive inflation-adjusted yields in April 2020. (See Chart 6)

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

- Total turnover in the Money Market segment decreased MoM and YoY by 26.88% and 27.75% respectively to ₦3.02trn in April 2020. The MoM decrease in Money Market turnover was driven by the MoM decrease in the Repurchase Agreements/Buy-Backs segment which declined by 24.04% (₦0.94trn) to ₦2.97trn in April 2020 from ₦3.91trn recorded in March 2020
- Turnover in Unsecured Placements/Takings recorded a MoM decrease by 76.19% (₦0.16trn) to ₦0.05trn in April 2020, and YoY by 44.04% (₦0.04trn) from ₦0.09trn recorded in April 2019. (See Table 2). Average O/N⁸ and OBB⁹ rates both decreased by 552bps and 531bps to close at an average of 5.74% and 5.15% respectively in April 2020 from 11.26% and 10.46% in March 2020

Market Surveillance

- Total number of executed trades reported on the Bloomberg E-Bond Trading System in April 2020 was 4,474, representing a MoM decrease of 52.45% (4,935) against the number of executed trades recorded in March 2020 (9,409), driven by the decrease recorded across all executed trade types on bills and FGN Bonds. Further, this represented a YoY decrease of 61.32% (7,092) against the number of executed trades recorded in April 2019 (11,566). The general decrease in market activities is attributed to the COVID-19 pandemic and the associated exit by foreign portfolio investors, as well as the lockdown directive to curb the spread of the virus. (See Table 3)