



**DEBT MANAGEMENT OFFICE
NIGERIA**

Press Release

APRIL 2018 FGN BOND AUCTION

The Debt Management Office wishes to inform the General Public that it has conducted the fourth in the series of FGN Bond Auctions for 2018 on April 25, to raise funds for the implementation of the 2018 Budget.

Three bonds (5, 7 and 10 years) were offered for a total amount of ₦90.00 billion. Total subscription was ₦262.48 billion, a subscription rate of 292%. Each of the bonds was oversubscribed, with demand for the 10-year bond particularly strong at a rate of 534%.

A total of ₦90.00 billion was allotted at 12.75% for the 5-year bond, 12.85% for the 7-year bond and 12.89% for the 10-year Bond.

Interest rates at the Auction continued to trend downwards, as was the case at the March 2018 Auction, and the rates for all the bonds offered at the April Auction were below 13%. The drop in rates is consistent with the DMO's expectations, based on its redemption of Nigerian Treasury Bills, which started in December 2017.

The funds injected into the market through the redemptions, and the lower interest rates, are supposed to make credit available to private sector borrowers at lower rates. This should enable them to lower their cost of operations and be more competitive in pricing.

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