



## DEBT MANAGEMENT OFFICE

### NIGERIA

## FGN BONDS

### HIGHLIGHTS FOR THE WEEK

November 3-7, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
November 3, 2014	106	28,400	28,400,000	26,252,201,339
November 4, 2014	528	63,913	63,913,200	69,792,253,535
November 5, 2014	398	66,189	66,189,270	69,937,862,434
November 6, 2014	916	111,177	111,177,674	120,663,050,414
November 7, 2014	976	124,569	124,569,000	132,366,861,561
<b>Total</b>	<b>2,924</b>	<b>394,249</b>	<b>394,249,144</b>	<b>419,012,229,283</b>

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at November 3, 2014

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%)	Yields (%)***
1	4.00% FGN APR 2015	23-Apr-15	0.46	97.09	10.64	10.72
2	13.05% FGN AUG 2016	16-Aug-16	1.77	102.00	11.74	12.22
3	15.10% FGN APR 2017	27-Apr-17	2.47	105.85	12.28	12.50
4	9.85% FGN JUL 2017	27-Jul-07	2.72	94.22	12.40	12.60
5	9.35% FGN AUG 2017	31-Aug-17	2.81	92.88	12.41	12.61
6	10.70% FGN MAY 2018	30-May-18	3.56	94.96	12.49	12.66
7	16.00% FGN JUN 2019	29-Jun-19	4.64	111.95	12.51	12.67
8	7.00% FGN OCT 2019	23-Oct-19	4.96	79.73	12.62	12.74
9	16.39% FGN JAN 2022	27-Jan-22	7.22	117.65	12.58	12.65
10	14.20% FGN MAR 2024	14-Mar-24	9.35	108.15	12.68	12.65
11	15.00% FGN NOV 2028	28-Nov-28	14.06	114.38	12.77	12.84
12	12.49% FGN MAY 2029	22-May-29	14.54	98.18	12.77	12.86
13	8.50% FGN NOV 2029	20-Nov-29	15.04	71.79	12.76	12.87
14	10.00% FGN JUL 2030	23-Jul-30	15.71	81.90	12.68	12.76
15	12.1493% FGN JUL 2034	18-Jul-34	19.69	96.45	12.64	12.74

Source: Financial Markets Dealers Quotation (FMDQ OTC)

\*\*TTM means Term to Maturity

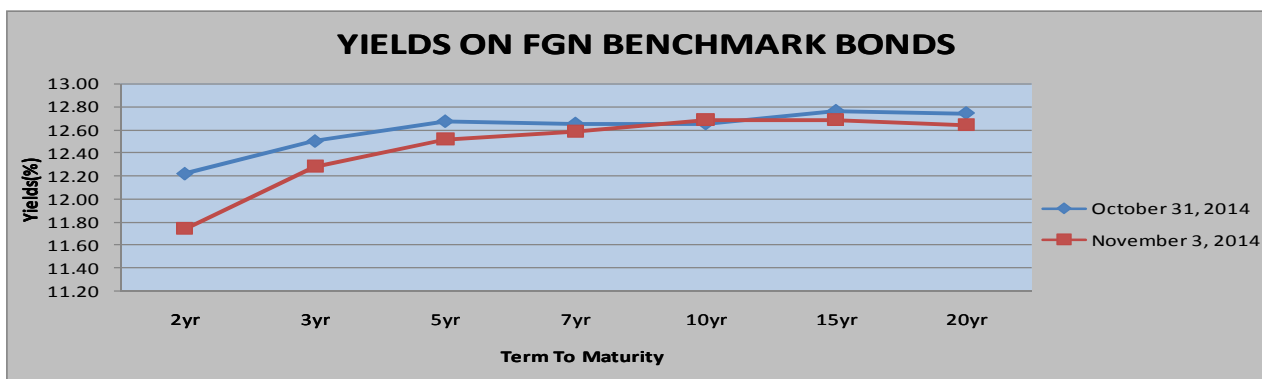
\*\*\* Yields as at October 31, 2014

WOW Change*	
Tenor	Change in yields (BPs)**
2yr	(48.00)
3yr	(22.00)
5yr	(16.00)
7yr	(7.00)
10yr	3.00
15yr	(8.00)
20 yr	(10.00)

\*Week Over Week

\*\* Basis Points

***BENCHMARK FGN BONDS	
Bond Name	Tenor Benchmark
13.05% FGN AUG 2016	2yr
15.10% FGN APR 2017	3yr
16.00% FGN JUN 2019	5yr
16.39% FGN JAN 2022	7yr
14.20% FGN MAR 2024	10 yr
10.00% FGN JUL 2030	15 yr
12.1493% FGN JUL 2034	20 yr



## SUMMARY OF THE TRADING HIGHLIGHTS FOR THE WEEK OF November 3-7, 2014

Total Face Value of Trades of FGN Bonds increased by 35.95% from ₦289.98bn in the previous week (October 27-31, 2014) to ₦394.24bn. Total Consideration also increased by 39.55% from ₦300.24bn to ₦419.01bn and Number of Deals from 1,898 to 2,924. Yields on all FGN Bond maturities dropped by 7 to 48bps, with a corresponding increase in Prices, except for the 10-Year FGN Benchmark Bond, whose Yield increased by 3bps. The drop in Yields was induced by increased demand for FGN Bonds, especially, towards the end of the week, when the Central Bank of Nigeria (CBN) released a Circular on "Guidelines on Accessing the CBN Standing Deposit Facility (SDF)".

By the Circular, the CBN restricted daily placements by banks and discount houses at the Standing Deposit Facility (SDF) window to ₦7.50bn and further stated that any amount deposited above the stipulated ₦7.50bn would not attract any interest payments from the CBN. This action increased the supply of funds at the interbank market and encouraged demand for FGN Bonds, Nigerian Treasury Bills and OMO Bills traded during the week. Overnight Interbank Rate also dropped to 9.87% (it's lowest in the year so far) from 10.48% in the previous week, as a consequence of the Circular.

Other developments during the week were the Nigerian Treasury Bills (NTBs or "Bills") and OMO Auctions. At the NTB Auction, ₦122.96bn was offered comprising ₦45.18 bn 91-Day Bills, ₦30.00bn 182-Day Bills and ₦47.78bn 364-Day Bills. The Marginal Rates for the 91, 182 and 364-Day Bills were 9.70%, 10.50% and 11.20% respectively as against rates of 9.80%, 10.20% and 11.25% at the last Auction held on October 22, 2014. Total Subscription at the Auction stood at ₦235.24bn versus ₦126.92bn which was the total subscribed to by the public at the last Auction. Similar to FGN Bonds and NTBs traded during the week, OMO Bills were also well demanded by operators. The CBN received a Total Subscription of ₦693.44bn for the amount of ₦190.00bn OMO Bills offered. The high demand for OMO was buoyed by liquidity from OMO Maturities of ₦203.06bn and increased liquidity in the interbank arising from the CBN's new policy on the SDF. ₦595.83bn OMO Bills were sold at Discount Rates ranging between 10.80% and 11.00% for tenors from 105-178 Days.