



DEBT MANAGEMENT OFFICE

NIGERIA

FGN BONDS

HIGHLIGHTS FOR THE WEEK

November 10-14, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
November 10,2014	1,180	153,902	153,902,272	168,976,908,867
November 11,2014	670	133,323	133,323,330	141,162,413,977
November 12,2014	544	124,209	124,209,540	131,178,206,276
November 13,2014	400	60,010	60,010,000	60,770,087,856
November 14,2014	628	158,115	158,111,804	168,503,451,024
Total	3,422	629,560	629,560,946	670,591,068,000

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at November 14,2014

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%) 14/11/2014	Yields (%) 7/11/2014
1	4.00% FGN APR 2015	23-Apr-15	0.44	96.99	11.16	10.64
2	13.05% FGN AUG 2016	16-Aug-16	1.75	100.05	12.98	11.74
3	15.10% FGN APR 2017	27-Apr-17	2.45	103.70	13.27	12.28
4	9.85% FGN JUL 2017	27-Jul-07	2.70	92.17	13.38	12.40
5	9.35% FGN AUG 2017	31-Aug-17	2.80	90.82	13.38	12.41
6	10.70% FGN MAY 2018	30-May-18	3.54	92.64	13.37	12.49
7	16.00% FGN JUN 2019	29-Jun-19	4.62	109.05	13.30	12.51
8	7.00% FGN OCT 2019	23-Oct-19	4.94	77.55	13.35	12.62
9	16.39% FGN JAN 2022	27-Jan-22	7.20	114.45	13.21	12.58
10	14.20% FGN MAR 2024	14-Mar-24	9.33	105.35	13.18	12.68
11	15.00% FGN NOV 2028	28-Nov-28	14.04	113.44	12.90	12.77
12	12.49% FGN MAY 2029	22-May-29	14.52	97.51	12.87	12.77
13	8.50% FGN NOV 2029	20-Nov-29	15.02	71.41	12.84	12.76
14	10.00% FGN JUL 2030	23-Jul-30	15.69	80.05	13.01	12.68
15	12.1493% FGN JUL 2034	18-Jul-34	19.67	93.80	13.02	12.64

Source: Financial Markets Dealers Quotation (FMDQ OTC)

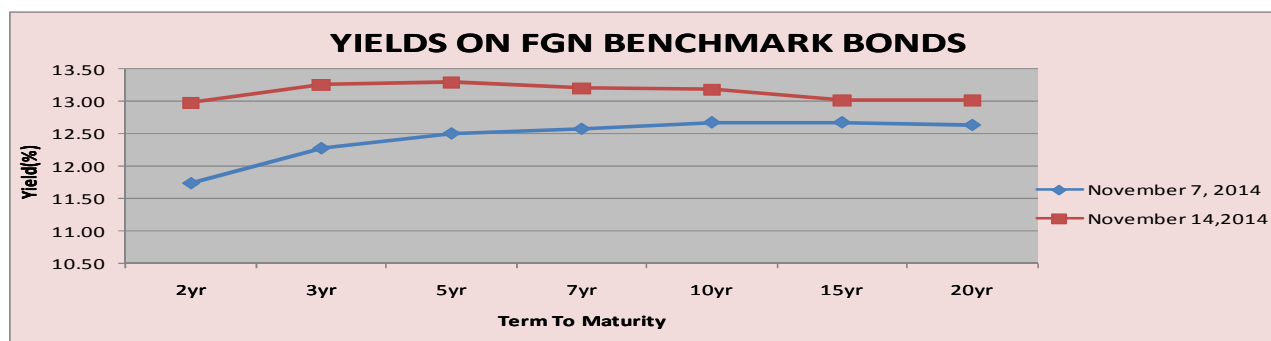
**TTM means Term to Maturity

WOW Change*	
Tenor	Change in yields (BPs)**
2yr	124.00
3yr	99.00
5yr	79.00
7yr	63.00
10yr	50.00
15yr	33.00
20 yr	38.00

*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 10-14, 2014

Total Face Value of Trades of FGN Bonds increased by 59.68% from ~~N~~394.24bn in the previous week (November 3-7, 2014) to ~~N~~629.46bn. Total Consideration also increased by 60.04% from ~~N~~419.01bn to ~~N~~670.59bn and Number of Deals from 2,924 to 3,422. Yields on FGN Bonds increased across all maturities, for the FGN Bond Benchmarks, in particular Yields rose by 38 to 124bps. The sharp rise in Yields suggested that there was a bearish trend in the market, which was largely driven by expectations of a tightening of monetary policy at the upcoming Monetary Policy Committee meeting scheduled for November 24 - 25, 2014, following the sustained pressure on the Naira Exchange Rate in recent weeks. These explain why the FGN Bond Yields rose despite a drop in the inflation rate to 8.10% in October 2014, from its September figure of 8.30%.

The monthly FGN Bond Auction was held during the week, in which the Debt Management Office offered ~~N~~65.00 FGN Bonds but sold ~~N~~60.00bn. At the Auction, ~~N~~10.00bn, 13.05% FGN AUG 2016, ~~N~~30.00bn 14.20% FGN MAR 2024 and ~~N~~25.00bn 12.1493% FGN JUL 2034 were re-opened and sold at Marginal Rates of 12.00%, 12.80% and 13.00% as against 12.14%, 12.79% and 12.69% respectively at the October 2014 Auction. Although, the Marginal Rates for the 10 and 20 Year Benchmarks increased compared to the October Auction, that of the 3-Year Benchmark fell marginally, possibly due to the volume offered and its relatively short tenor. Total Subscription at ~~N~~104.41bn or 1.60times the ~~N~~65.00bn offered, was flat compared to October 2014 Auction which had a Total Subscription of ~~N~~116.31 or 1.58times the Offer Amount of ~~N~~73.16bn.

There were also OMO Auctions and maturities during the week. OMO sales by the Central Bank of Nigeria amounted to ~~N~~228.03bn, which was ~~N~~148.03bn higher than the Offer Amount of ~~N~~80.00bn. Similar to the previous week, Total Subscription received for OMO was high at ~~N~~262.72bn due to liquidity inflows from OMO maturities of ~~N~~244.15bn. However, outflows from the system through FGN Bonds and OMO sales exceeded the inflows via OMO maturities, resulting in a net withdrawal of ~~N~~43.88bn. Consequently, market liquidity tightened thereby causing Overnight Interbank Rate to rise from 9.87% on November 7, 2014 to 10.91% on November 14, 2014.