



DEBT MANAGEMENT OFFICE
NIGERIA
FGN BONDS
HIGHLIGHTS FOR THE WEEK
August 11-15, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
August 11,2014	262	72,010	72,010,020	77,587,692,764
August 12,2014	203	23,532	23,532,000	26,150,111,681
August 13,2014	317	50,660	50,660,000	57,897,032,584
August 14,2014	116	13,600	13,600,000	15,520,492,688
August 15,2014	337	118,128	118,128,006	131,860,078,615
Total	1,235	277,930	277,930,026	309,015,408,332

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at August 15 , 2014

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%)
1	9.25% FGN SEP 2014	28-Sept-14	0.12	99.78	10.74
2	4.00% FGN APR 2015	23-Apr-15	0.69	95.46	11.01
3	13.05% FGN AUG 2016	16-Aug-16	2.00	102.90	11.39
4	15.10% FGN APR 2017	27-Apr-17	2.70	108.60	11.29
5	9.85% FGN JUL 2017	27-Jul-07	2.95	96.35	11.34
6	9.35% FGN AUG 2017	31-Aug-17	3.04	94.98	11.34
7	10.70% FGN MAY 2018	30-May-18	3.79	97.74	11.44
8	16.00% FGN JUN 2019	29-Jun-19	4.87	116.25	11.54
9	7.00% FGN OCT 2019	23-Oct-19	5.19	82.13	11.68
10	16.39% FGN JAN 2022	27-Jan-22	7.45	120.40	12.15
11	14.20% FGN MAR 2024	14-Mar-24	9.58	110.45	12.31
12	15.00% FGN NOV 2028	28-Nov-28	14.29	117.53	12.35
13	12.49% FGN MAY 2029	22-May-29	14.77	101.09	12.32
14	8.50% FGN NOV 2029	20-Nov-29	15.27	74.11	12.29
15	10.00% FGN JUL 2030	23-Jul-30	15.94	84.75	12.19
16	12.1493% FGN JUL 2034	18-Jul-34	19.92	98.35	12.17

Source: Financial Markets Dealers Quotation (FMDQ OTC)

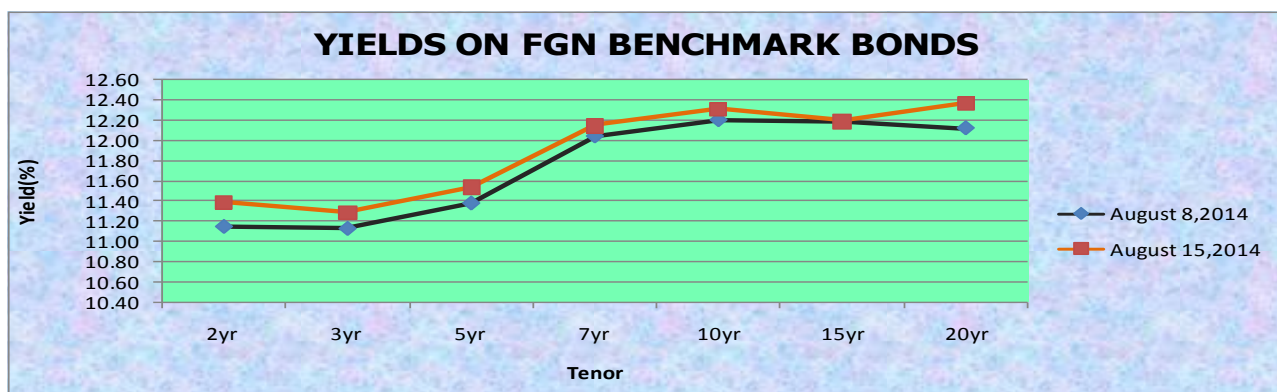
***TTM means Term to Maturity*

WOW Change*	
Tenor	Change in yields (BPs)**
2yr	24.00
3yr	16.00
5yr	16.00
7yr	11.00
10yr	11.00
15yr	1.00
20 yr	25.00

**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 August 11 – August 15, 2014

The Face Value of FGN Bonds traded during the week increased by 11.23% from ₦249.86bn in the previous week (August 4-8, 2014) to ₦277.93bn. Consideration also increased by 10.86% from ₦278.73bn to ₦309.01bn within the same period. However, Number of Deals decreased from 1,482 to 1,235. FGN Bond Yields in general increased during the course of the week, and all the FGN Benchmark Bonds closed the week with higher Yields, especially the 2 and 20 Year Benchmarks, which increased by 24bps and 25bps respectively.

Other major events that took place during the week were the FGN Bond Auction and the sale of about US\$400million by the Nigerian National Petroleum Corporation (NNPC). On August 13, 2014, the DMO held its monthly FGN Bond Auction. At the Auction, N100.00bn FGN Bonds was offered and allotted to the public in tenors of 3 years (13.05% FGN AUG 2016), 10 years (14.20% FGN MAR 2014) and 20 years (12.1493% FGN JUL 2024) at Marginal Rates of 11.12%, 12.22% and 12.38% respectively. Marginal Rates recorded at the August 2014 Auction increased marginally from the Rates at the July 2014 Auction in which the same tenors were sold at 11.00%, 12.19% and 12.14% respectively. Demand at the August 2014 Bond Auction was lower at 1.74 times the amount offered (Total Subscription was ₦174.01bn) compared to ₦269.31bn or 2.63 times Subscription at the July 2014 Auction. The CBN also had an OMO Auction at the start of the week, in which it offered ₦50.00bn 136-Day OMO Bills, while it sold ₦221.47bn at a Marginal Rate of 10.80%. Although, there were OMO maturities of ₦134.28bn during the week which resulted to some liquidity inflow into the system, ultimately, the net effect of OMO was a net outflow of ₦87.14bn.

The sale of FGN Bonds and OMO Bills, as well as, the cash withdrawal by the NNPC through the sale of FX resulted in cash outflows which further drained liquidity from the system. In response, FGN Bond Yields rose across board just as the Marginal Rates at the Bond Auction rose. Similarly, the Overnight Interbank Rate rose from 10.87% to 12.12% week on week.

