



DEBT MANAGEMENT OFFICE

NIGERIA

FGN BONDS

HIGHLIGHTS FOR THE WEEK

November 24-28, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
November 24,2014	368	54,140	54,140,000	55,633,668,718
November 25,2014	548	79,433	79,433,200	84,740,098,426
November 26,2014	252	42,705	42,705,500	44,242,885,589
November 27,2014	0	0	0	0
November 28,2014	488	84,373	84,373,760	87,781,403,278
Total	1,666	260,652,460	250,652,460	272,398,056,011

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at November 28, 2014

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%) 28/11/2014	Yields (%) 21/11/2014
1	4.00% FGN APR 2015	23-Apr-15	0.40	96.28	13.72	13.47
2	13.05% FGN AUG 2016	16-Aug-16	1.72	99.05	13.65	13.68
3	15.10% FGN APR 2017	27-Apr-17	2.41	102.10	14.03	13.79
4	9.85% FGN JUL 2017	27-Jul-07	2.66	90.95	14.02	13.83
5	9.35% FGN AUG 2017	31-Aug-17	2.76	89.64	13.99	13.83
6	10.70% FGN MAY 2018	30-May-18	3.50	91.65	13.78	13.79
7	16.00% FGN JUN 2019	29-Jun-19	4.58	108.15	13.54	13.74
8	7.00% FGN OCT 2019	23-Oct-19	4.90	77.35	13.45	13.72
9	16.39% FGN JAN 2022	27-Jan-22	7.17	113.60	13.37	13.55
10	14.20% FGN MAR 2024	14-Mar-24	9.29	105.40	13.17	13.71
11	15.00% FGN NOV 2028	28-Nov-28	14.00	114.20	12.80	13.38
12	12.49% FGN MAY 2029	22-May-29	14.48	98.14	12.77	13.34
13	8.50% FGN NOV 2029	20-Nov-29	14.98	71.89	12.75	13.29
14	10.00% FGN JUL 2030	23-Jul-30	15.65	80.00	13.02	13.48
15	12.1493% FGN JUL 2034	18-Jul-34	19.64	93.00	13.15	13.25

Source: Financial Markets Dealers Quotation (FMDQ OTC)

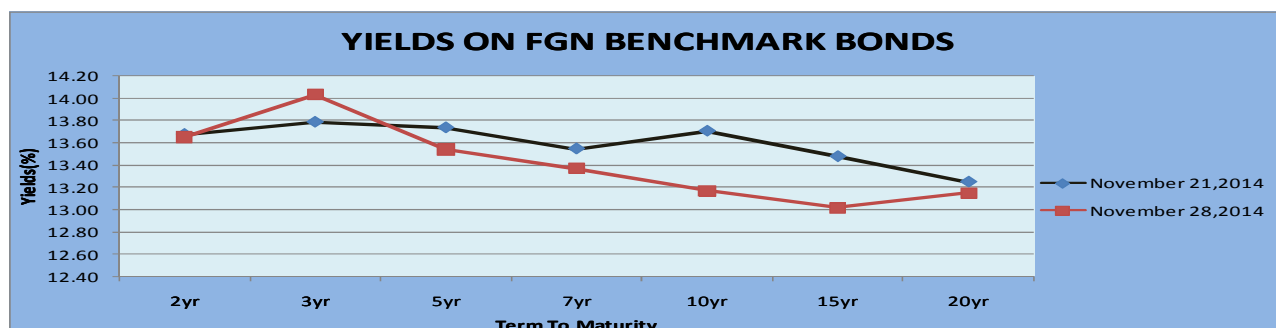
**TTM means Term to Maturity

WOW Change*	
Tenor	Change in yields (BPs)**
2yr	(3.00)
3yr	24.00
5yr	(20.00)
7yr	(18.00)
10yr	(54.00)
15yr	(46.00)
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 24-28, 2014

In the week under review, total Face Value of FGN Bonds traded decreased by 26.99% from ₦357.04bn to ₦260.65bn, while Consideration declined by 31.73% to ₦272.39 compared to ₦385.61bn in the previous week. Number of Deals also fell from 2,284 to 1,666. During the review week, the Monetary Policy Committee (MPC) held its bi-monthly meeting. Highlights of the decisions taken were the increase in the Monetary Policy Rate (MPR) from 12% to 13%, the Cash Reserve Ratio (CRR) on Private Sector Deposits from 15% to 20% and the movement of the mid-point of the official window of the Foreign Exchange market from ₦155/US\$1.00 to ₦168/US\$1.00. Yields on FGN Bonds had already increased considerably in recent weeks, therefore the increases of the MPR and CRR did not result in an immediate spike in FGN Bond Yields. In addition, there was some demand from dealers who were short on bonds as well as the domestic Pension Funds during the week. Consequently, there was an appreciation in prices of and a drop in Yields on the FGN Benchmark Bonds by 3-54bps, except for the 3-Year Benchmark, whose Yield increased by 24bps.

Other major highlights during the week were OMO activities and the debit of the CRR on private sector deposits. Following the pronouncement of the MPC, the Central Bank of Nigeria (CBN) implemented the increase of 5% in the CRR on private sector funds with banks, through which the sum of about ₦560.00bn was withdrawn from the financial system on Wednesday, November 26, 2014. The liquidity withdrawal from the CRR debit may have been the cause of lower demand and high bid rates at the subsequent OMO Auction which held on Thursday, November 27, 2014, in which the CBN also offered ₦50.00bn, 171-Day OMO Bills. A Total Subscription of ₦56.55bn was received, while ₦6.37bn was sold at a Discount Rate of 13.00%. Another reason for the high Bid Rates at the OMO Auctions could be that dealers factored in the increase in the MPR into their Bids for OMO. The liquidity from the ₦415.15bn OMO maturities on the same day, did not improve demand at the OMO Auction.

The net effect of the OMO operations and the CRR debit was a net outflow of ₦151.22bn from the financial system, which may have caused Overnight Interbank Rate to rise from 10.50% on November 21, 2014 to 13.41% on November 28, 2014.