



## DEBT MANAGEMENT OFFICE

### NIGERIA

## FGN BONDS

### HIGHLIGHTS FOR THE WEEK

October 13 -17, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
October 13,2014	840	99,700	99,700,000	111,521,298,222
October 14,2014	832	103,351	103,351,292	113,769,808,473
October 15,2014	300	45,230	45,230,000	49,144,104,432
October 16,2014	452	56,634	56,633,960	62,283,663,385
October 17,2014	854	231,237	231,237,514	251,602,527,151
<b>Total</b>	<b>3,278</b>	<b>536,152</b>	<b>536,152,766</b>	<b>588,321,401,664</b>

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at October 17,2014

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%)	Yields (%)***
1	4.00% FGN APR 2015	23-Apr-15	0.52	96.22	11.75	11.54
2	13.05% FGN AUG 2016	16-Aug-16	1.83	100.50	12.71	12.40
3	15.10% FGN APR 2017	27-Apr-17	2.53	104.70	12.86	12.59
4	9.85% FGN JUL 2017	27-Jul-07	2.78	93.00	12.91	12.65
5	9.35% FGN AUG 2017	31-Aug-17	2.87	91.65	12.91	12.65
6	10.70% FGN MAY 2018	30-May-18	3.62	93.77	12.90	12.66
7	16.00% FGN JUN 2019	29-Jun-19	4.70	110.80	12.85	12.63
8	7.00% FGN OCT 2019	23-Oct-19	5.02	78.76	12.88	12.68
9	16.39% FGN JAN 2022	27-Jan-22	7.28	116.50	12.82	12.67
10	14.20% FGN MAR 2024	14-Mar-24	9.41	107.30	12.84	12.65
11	15.00% FGN NOV 2028	28-Nov-28	14.12	112.60	13.02	12.59
12	12.49% FGN MAY 2029	22-May-29	14.60	96.41	13.04	12.59
13	8.50% FGN NOV 2029	20-Nov-29	15.09	70.22	13.06	12.58
14	10.00% FGN JUL 2030	23-Jul-30	15.77	80.35	12.95	12.60
15	12.1493% FGN JUL 2034	18-Jul-34	19.75	94.70	12.89	12.37

Source: Financial Markets Dealers Quotation (FMDQ OTC)

\*\*TTM means Term to Maturity

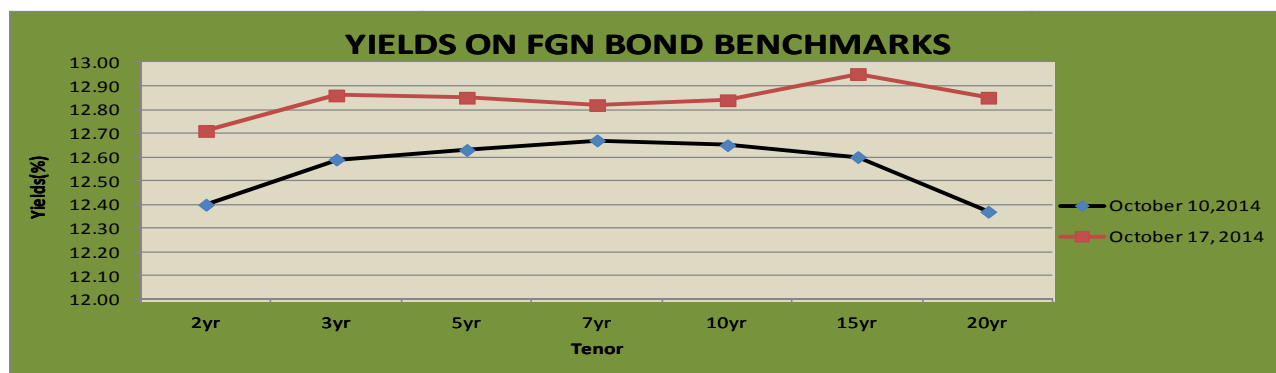
\*\*\* Yields as at October 10,2014

WOW Change*	
Tenor	Change in yields (BPs)**
2yr	31.00
3yr	27.00
5yr	22.00
7yr	15.00
10yr	19.00
15yr	35.00
20 yr	48.00

\*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 October 13 – October 17, 2014

The Face Value of FGN Bonds traded during the week increased by 58.01% from ~~₦339.30bn~~ in the previous week (October 6-10, 2014) to ~~₦536.15bn.~~ Consideration also increased by 50.88% from ~~₦389.91bn~~ to ~~₦588.32 bn~~ within the same period. It should be noted though, that in the previous week, trading was for 3 days due to the 2 days public holidays in Nigeria. Similarly, the Number of Transactions rose from 2,356 to 3,278. The continued increase in Yields on FGN Bonds persisted in response to reduced demand by off-shore investors due to lower liquidity in the ICM, consequent upon the monetary policy decisions of the U.S Federal Reserve Bank at its September 2014 meeting. Hence, week-on-week, FGN Bonds recorded an average increase of 30bps in Yields across all maturities.

The monthly FGN Bond Auction was held on October 15, 2014 at which the Debt Management Office (DMO) offered ~~₦73.61bn~~ through a reopening of its 3, 10 and 20-year Benchmark Bonds, (13.05% FGN AUG 2016, 14.20% FGN MAR 2024 and 12.15% FGN JUL 2034). Total subscription was ~~₦116.31bn~~ or 1.58 times the Offer amount of ~~₦73.061bn~~ which was allotted in full with the 3, 10 and 20-year FGN Bond Benchmarks sold at Marginal Rates of 12.14%, 12.79% and 12.69% respectively as against 11.49%, 12.23% and 12.29% at the September 2014 FGN Bond Auction. The increase in Marginal Rates was consistent with the rise in FGN Bond Yields in the Secondary Market.

During the week, the Central Bank of Nigeria (CBN) redeemed ~~₦218.70bn~~ OMO Bills comprising ~~₦90.04bn~~ 108-Day Bills and ~~₦128.65bn~~ 133-Day Bills on October 17, 2014 and also mopped up liquidity through OMO Auctions totaling ~~₦164.03bn~~ during the week. The OMO Auctions were: ~~₦71.74bn~~ 164-Day, ~~₦69.36bn~~ 161-Day Bills and ~~₦22.92bn~~ 160-Day Bills. All the tenors offered were issued at a Marginal Rate of 11.00%.

Overnight Interbank Rate declined slightly from 10.58% on October 10, 2014 to 10.54% on October 17, 2014 as market liquidity was relatively high from the net inflow of ~~₦54.67bn~~ from the CBN's OMO operations during the week.