



**DEBT MANAGEMENT OFFICE
NIGERIA**

FGN BONDS

HIGHLIGHTS FOR THE WEEK

July 21 - 25, 2014

Table I

Date	No of Deals	Volume '000	Value N'000	Consideration N'000
July 21,2014	488	69,433	69,432,760	78,066,553,604
July 22,2014	348	61,600	61,600,000	72,919,758,326
July 23,2014	508	79,100	79,100,000	94,932,533,905
July 24,2014	500	66,423	66,422,850	78,595,826,021
July 25,2014	330	61,555	61,555,430	72,968,302,375
Total	2,174	338,111	338,111,040	397,482,974,231

Source: Central Bank of Nigeria

Figures are for Over-The-Counter Deals Only

Table II: FGN Bond MTM Prices as at July 25, 2014

S/N	Description	Maturity	TTM(Years) **	Price (₦)	Yields (%)
1	9.25% FGN SEP 2014	28-Sept-14	0.18	99.72	10.53
2	4.00% FGN APR 2015	23-Apr-15	0.75	95.43	10.52
3	13.05% FGN AUG 2016	16-Aug-16	2.06	103.50	11.09
4	15.10% FGN APR 2017	27-Apr-17	2.76	109.30	11.07
5	9.85% FGN JUL 2017	27-Jul-07	3.01	97.08	11.02
6	9.35% FGN AUG 2017	31-Aug-17	3.10	95.69	11.02
7	10.70% FGN MAY 2018	30-May-18	3.85	98.89	11.05
8	16.00% FGN JUN 2019	29-Jun-19	4.93	118.00	11.15
9	7.00% FGN OCT 2019	23-Oct-19	5.25	83.73	11.18
10	16.39% FGN JAN 2022	27-Jan-22	7.51	121.50	11.97
11	14.20% FGN MAR 2024	14-Mar-24	9.64	111.40	12.15
12	15.00% FGN NOV 2028	28-Nov-28	14.35	119.10	12.15
13	12.49% FGN MAY 2029	22-May-29	14.83	102.25	12.15
14	8.50% FGN NOV 2029	20-Nov-29	15.32	74.82	12.16
15	10.00% FGN JUL 2030	23-Jul-30	16.00	84.60	12.21
16	12.1493% FGN JUL 2034	18-Jul-34	19.98	99.60	12.20

Source: Financial Markets Dealers Quotation (FMDQ OTC)

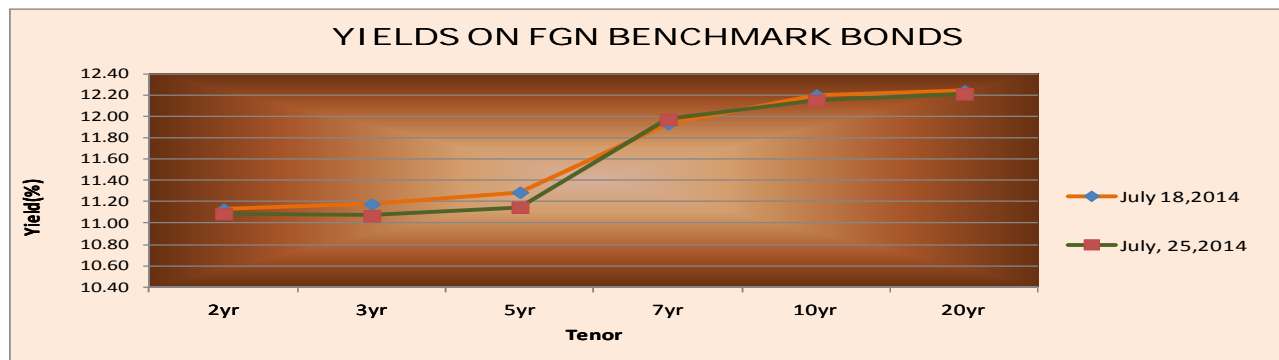
**TTM means Term to Maturity

WOW Change*	
Tenor	Change in yields (BPs) **
2yr	(4.00)
3yr	(11.00)
5yr	(14.00)
7yr	4.00
10yr	(5.00)
20yr	(3.00)

***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	20yr*

*Wow= Week over Week

* To become the 15 Year Benchmark



SUMMARY OF THE TRADING HIGHLIGHTS FOR THE WEEK OF July 21 – July 25, 2014

In the week under review, trading activities measured by all parameters increased over their respective levels in the previous week of July 14-18, 2014. Total Face Value of FGN Bonds traded during the week was ~~₦~~338.11bn and 17.02% higher than ~~₦~~325.66bn recorded last week, while Consideration increased by 14.57% from ~~₦~~346.91bn to ~~₦~~397.48bn. Number of Deals also rose by 62.35% from 1,339 to 2,174. In addition, Bond Prices appreciated due to some demand from local operators, particularly, Pension Funds. Yields on the FGN Benchmark Bonds declined by 3 to 14 bps week on week, except for the 7 Year Benchmark, whose Yield increased by 4bps.

The Central Bank of Nigeria (CBN) held its Monetary Policy Committee (MPC) Meeting from July 21-22, 2014. The MPC maintained all its key rates with the Monetary Policy Rate (MPR) remaining at 12%, the same level since October 2011. The MPC Communique revealed that the Naira Exchange Rate had been stable while External Reserves was also trending upwards.

~~₦~~134.889bn Nigerian Treasury Bills (NTBs) was offered and sold at the Auction held on July 23, 2014 to refinance maturing obligations of the same amount. At the Auction, ~~₦~~34.88bn 91-Day Bills, ~~₦~~48.00bn 182-Day Bills and ~~₦~~52.00bn 364-Day Bills were offered and sold at Marginal Rates of 9.84%, 10.10% and 10.14% respectively. These were lower than the 9.95%, 10.24% and 10.34% recorded for the same tenors at the last Auction on July 9, 2014. The liquidity in the system was still strong from the ~~₦~~795.95bn released by the Federal Accounts Allocation Committee (FAAC) the previous week and the ~~₦~~98.20bn OMO Bills which matured during the week. This high level of liquidity and expectation about the level of future interest rates were responsible for the high level of subscription (~~₦~~305.847bn compared to ~~₦~~134.889bn offered) and lower Marginal Rates at the NTB Auction during the week.

To moderate liquidity and maintain stability in the Naira Exchange Rate, the CBN offered ~~₦~~80.00bn 126-Day tenor OMO Bills for which it received a Total Subscription of ~~₦~~415.15bn. In what can be referred to as a mop-up, the CBN sold the entire ~~₦~~415.15bn at a Marginal Rate of 10.80%. Notwithstanding the mop-up by the CBN, Overnight Interbank Rates fell from 10.62% in the previous week to 10.45% at the close of the week.