



**DEBT MANAGEMENT OFFICE
NIGERIA
FGN BONDS
HIGHLIGHTS FOR THE WEEK
JULY 30 – AUGUST 3, 2012**

Table I: Summary of Trading Report*

Description	Details
Average Price	₦948.82
Highest Price	₦1,016.67
Lowest Price	₦714.24
Highest Priced Bond	16.39% FGN JAN 2012
Lowest Priced Bond	7.00% FGN OCT 2019
Highest Traded Bond	16.39% FGN JAN 2012
Lowest Traded Bond	7.00% FGN OCT 2019
Highest Traded Volume	61,200,000
Lowest Traded Volume	800,000
No. of Bonds Traded	8
No. of Transactions	1,006

NB: Price is per 1000 Units of the Bond

Table II: Trading Statistics*

Date	No of Deals	Volume'000	Value ₦'000	Consideration ₦'000
July 30, 2012	52	10,400	10,400,000	10,155,635.221
July 31, 2012	249	35,835	35,835,000	32,583,748.675
August 1, 2012	311	38,600	38,600,000	36,700,748.780
August 2, 2012	156	29,400	29,400,000	29,221,807.939
August 3, 2012	238	29,150	29,150,000	27,385,323.017
Total	1,006	143,385	143,385,000	136,047,263.632

Table III: FGN Bond MTM Prices as at August 3, 2012

S/N	Description	Maturity	TTM(Years)**	Price (₦)	Yields (%)
1	10.50% FGN NOV 2013	28-Nov-13	1.32	93.75	15.90
2	10.50% FGN NOV 2014	18-Mar-14	1.62	92.51	15.88
3	10.75% FGN MAR 2014	30-Mar-14	1.65	92.73	15.88
4	9.20% FGN JUN 2014	29-Jun-14	1.90	89.38	15.86
5	9.25% FGN SEP 2014	28-Sept-14	2.15	88.21	15.91
6	4.00% FGN APR 2015	23-Apr-15	2.72	74.68	15.79
7	15.10% FGN APR 2017	27-Apr-17	4.73	96.20	16.26
8	9.35% FGN AUG 2017	31-Aug-17	5.08	77.27	16.06
9	10.70% FGN MAY 2018	30-May-18	5.82	60.09	16.08
10	16.00% FGN JUN 2019	29-Jun-19	6.91	99.03	16.23
11	7.00% FGN OCT 2019	23-Oct-19	7.22	61.28	16.31
12	16.39% FGN JAN 2022	27-Jan-22	9.49	100.90	16.20
13	15.00% FGN NOV 2028	28-Nov-28	16.33	100.86	14.85
14	12.49% FGN MAY 2029	22-May-29	16.81	86.00	14.76
15	8.50% FGN NOV 2029	20-Nov-29	17.31	61.58	14.66
16	10.00% FGN JUL 2030	23-Jul-30	17.96	71.31	14.53

Sources: 1. Central Securities Clearing System (Tables I and II)

2. Financial Markets Dealers Association (Table III)

***Figures are for Over-The-Counter Deals Only**

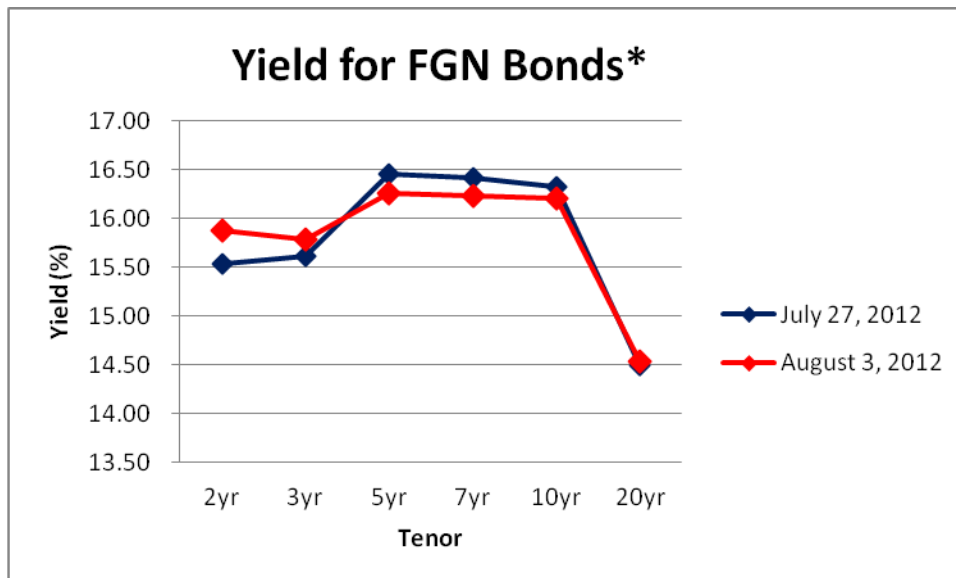
****TTM means Term to Maturity**

SUMMARY OF THE TRADING HIGHLIGHTS FOR THE WEEK OF JULY 30 – AUGUST 3, 2012.

The Face Value of FGN Bonds traded during the week decreased by 37.54% from N229.550bn in the previous week (July 23 – 27, 2012) to N143.385bn. Consideration also decreased by 37.25% from N216.814bn to N136.047bn within the same period. 8 Bonds traded in 1,006 deals versus 10 Bonds traded in 1,698 deals last week. Trading declined during the week due to liquidity squeeze in the market.

During the week, the Central Bank of Nigeria (CBN) revised its Guideline for accessing the lending window by barring banks and discount houses that borrow funds from the CBN Repo window from simultaneously participating in Interbank lending and foreign exchange auctions. The new rule (coming on the heel of an increase in the Cash Reserve Ratio from 8% to 12% the previous week which mopped up an estimated N400bn – N500bn in liquidity) further tightened liquidity in the market. Although, the CBN tried to ease the liquidity by re-opening its Discount Window for Nigerian Treasury Bills (NTBs), the high re-discount rates advised by the CBN were extended to the secondary market for NTBs and the Interbank market. The Call Rate, for example, advanced from a range of 12.75% - 14.50% on July 27, 2012 to a range of 15.50% - 18.25% on August 1, 2012. Yields on NTBs rose an average of 62bps across all maturities. The higher money market rates and yields on NTBs impacted short-term Bond yields, resulting in a rise in the yields of the 2-year and 3-year Benchmark Bonds.

Yields on medium-tenored Bonds which investors considered high and acceptable based on their expectations fell during the week, partly due to demand for the Bonds by Pension Funds.



WOW Change**

Tenor	Change in yields (BPs)***
2yr	35
3yr	18
5yr	(20)
7yr	(19)
10yr	(13)
20yr	4

*** Only Benchmark Bonds were used**

****WOW = Week Over Week**

*****BPs = Basis Point**