



**DEBT MANAGEMENT OFFICE
NIGERIA**

**Barclays Bank Includes FGN Bonds in its
Emerging Markets Bond Indices**

The Federal Government of Nigeria Bond (FGN Bond) Market has received yet another recognition from the international financial community with the recent announcement by Barclays, that selected FGN Bonds would be included in its **Emerging Markets Local Currency Bond Index (EM-LCBI)**. The announcement and other details made available by Barclays, stated that 13 FGN Bonds with a value of USD13.9 billion will be included in the Index in March 2013. Nigeria and Romania are the only 2 countries whose Governments local currency Bonds will be added to the Index in March 2013.

Coming on the heels of the recent inclusion of 3 FGN Bonds in the **J.P. Morgan's Government Bond Index Emerging Markets (GBI-EM)**, it is evident that the investments made by the Debt Management Office (DMO), the Primary Dealer Market Makers (PDMMs) and other notable stakeholders in the domestic Bond Market towards the development of the FGN Bond Market, have largely achieved the desired results. The addition of Nigeria and Romania in March 2013 to the **EM-LCBI**, will bring the number of countries to 21, out of which only 3 are African countries: South Africa, Egypt and Nigeria. The Index is comprised of major emerging market countries including BRICS countries such as Brazil and Russia, as well as, Turkey, Mexico, Columbia, Philippines and Indonesia. Israel, South Korea and Czech Republic, though classified as advanced countries, are also included in the **EM-LCBI**.

Benefits

The DMO expects that the benefits which have already begun to accrue to Nigeria from the inclusion of FGN Bonds in the **J.P. Morgan GBI-EM** in October 2012 will be re-inforced by this development. Some of these benefits are:

- Increased inflow of foreign investments into Nigeria, leading to:
 - Larger investor base for the domestic securities market.
 - Higher foreign exchange inflows, increase in external reserves and stability in the Naira.
- Improved perception of Nigeria, since it is now grouped in Indices dominated by strong emerging market countries.

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