



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – May 2018

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their Foreign Portfolio Investment (FPI) flows. The table below shows an analysis of transactions on The Exchange as at the end of May 2018.

Table 1: Analysis of Transactions for the Period Ended 31 May 2018¹

All figures are in ₦' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2018	394.44	166.39	42.18%	228.05	57.82%	91.75	74.64	106.49	121.56
Feb 2018	212.05	83.22	39.25%	128.83	60.75%	44.89	38.33	52.75	76.08
Mar 2018	272.48	132.21	48.52%	140.27	51.48%	69.71	62.50	49.00	91.27
Apr 2018	212.23	122.53	57.74%	89.70	42.26%	64.28	58.25	43.19	46.51
May 2018	318.27	192.95	60.62%	125.32	39.38%	62.06	130.89	33.29	92.03
2018 YTD ²	1,409.47	697.30	49.47%	712.17	50.53%	332.69	364.61	284.72	427.45
2017 YTD ³	714.99	328.70	45.97%	386.29	54.03%	150.04	178.66	115.78	270.51

Note the increase in FPI outflows in May 2018 compared to April 2018.

Analysis

Domestic vs. Foreign 2018

Total transactions at the nation's bourse increased by 49.96% from ₦212.23 billion recorded in April 2018 to ₦318.27 billion (about \$1.04 billion)⁴ in May 2018. The cumulative transactions from January to May increased by 97.13% from ₦714.99 billion recorded in 2017 to ₦1,409.47 trillion in 2018.

Foreign investors outperformed domestic investors by 21.25% in May 2018. Total domestic transactions increased by 39.71% from ₦89.70 billion in April to ₦125.32 billion in May 2018. Foreign transactions also increased by 57.47% from ₦122.53 billion to ₦192.95 billion within the same period.

There was a 3.45% decrease in foreign inflows from ₦64.28 billion in April 2018 to ₦62.06 billion in May 2018. However, foreign outflows increased by 124.70% from ₦58.25 billion to ₦130.89 billion within the same period.

¹ Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on the Nigerian Stock Exchange (Equities only).

² 2018 YTD represents January to May 2018 transactions.

³ 2017 YTD represents January to May 2017 transactions.

⁴ The Exchange rate (in dollars) as at 31 May 2018 was ₦305.15.



**Fig 1: Foreign vs Domestic Trend
Jan - May 2018**



**Fig 2: Foreign vs Domestic Market
Share Jan - May 2018**

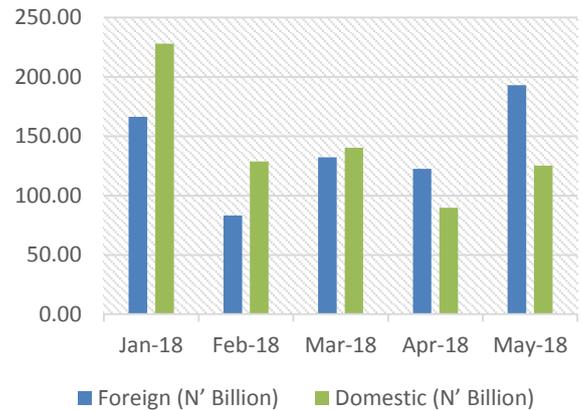


Fig 3: Retail vs. Institutional component of Total Domestic transaction (May 2018⁵)

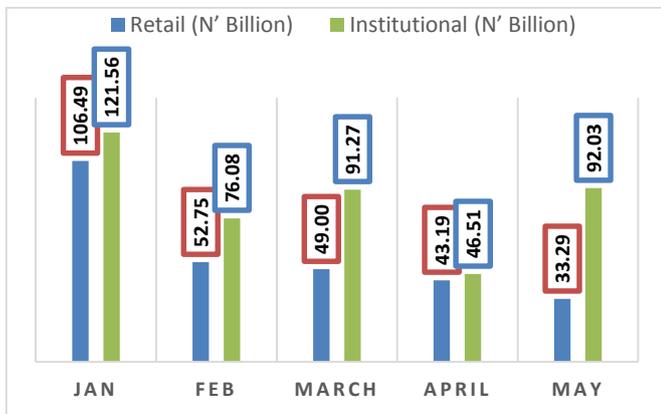


Fig 3 highlights the domestic composition of transactions on The Exchange between January and May 2018.

The institutional composition of the domestic market increased by 97.87% from ₦46.51 billion in April to ₦92.03 billion in April 2018. The retail composition decreased by 22.92% from ₦43.19 billion to ₦33.29 billion within the same period.

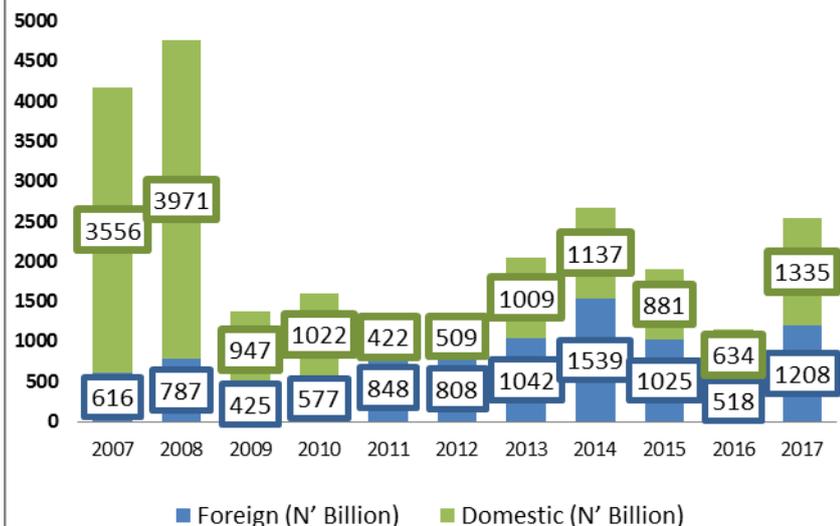
This indicates a significantly higher participation by institutional investors over their retail counterparts.

Fig 4 highlights that between 2011 and 2015, foreign transactions consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, accounting for 52% of the total transaction value in 2017.

Also, foreign transactions which was ₦1.539t in 2014 declined to ₦518b in 2016, but increased significantly by 133% to ₦1.208t in 2017 thereby accounting for about 48% of total transactions in 2017.

Over an eleven (11) year period, domestic transactions have decreased by 62.46% from ₦3.556t in 2007 to ₦1.335t in 2017. However, there was a significant increase in 2017 by 111% from ₦634 billion recorded in 2016.

Fig 4: Foreign/Domestic Trend 2007 - 2017



⁵ Information on the retail and institutional components of total domestic transactions in May 2018 is based on data obtained from about 98% of Active Dealing Members of The Exchange.