



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – September 2017

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 September 2017.

Table 1: Analysis of Transactions for the Period Ended 30 September 2017¹

All figures are in ₦' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2017	95.32	44.01	46.17%	51.31	53.83%	22.61	21.40	20.12	31.19
Feb 2017	74.11	34.54	46.61%	39.57	53.39%	16.10	18.44	15.22	24.35
Mar 2017	285.05	132.51	46.49%	152.54	53.51%	23.64	108.87	23.77	128.77
April 2017	54.90	22.45	40.89%	32.45	59.11%	14.54	7.91	14.20	18.25
May 2017	205.61	95.19	46.30%	110.42	53.70%	73.15	22.04	42.47	67.95
June 2017	220.27	101.53	46.09%	118.74	53.91%	65.93	35.60	62.40	56.34
July 2017	194.15	60.50	31.16%	133.65	68.84%	38.44	22.06	53.75	79.90
Aug 2017	396.86	208.34	52.50%	188.52	47.50%	165.47	42.87	39.11	149.41
Sep 2017	129.52	84.27	65.06%	45.25	34.94%	48.42	35.85	23.53	21.72
2017 YTD ²	1,655.79	783.34	47.31%	872.45	52.69%	468.30	315.04	294.57	577.88
2016 YTD ³	927.08	413.15	44.56%	513.93	55.44%	203.83	209.31	233.61	280.322

Note the significant decrease in transactions in September compared to August.

Analysis

Domestic vs. Foreign 2017

Total transactions at the nation's bourse significantly decreased by 67.36% from ₦396.86 billion recorded in August 2017 to ₦129.52 billion (about \$0.42 billion)⁴ in September 2017. The aggregate value of transactions from January to September 2017 increased by 78.60% from ₦927.08 billion recorded in 2016 to ₦1.655 trillion in 2017.

Foreign investors outperformed domestic investors by 8.13%. Total foreign transactions decreased significantly by 59.55% from ₦208.34 billion recorded in August 2017 to ₦84.27 billion in 2017. Total domestic transactions also decreased by 68.77% from ₦188.52 billion to ₦45.25 billion within the same period.

Foreign inflows decreased by 70.74% from ₦165.47 billion in August 2017 to ₦48.42 billion in September 2017. Foreign outflows also decreased by 16.38% from ₦42.87 billion in August 2017 to ₦35.85 billion in September 2017.

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).

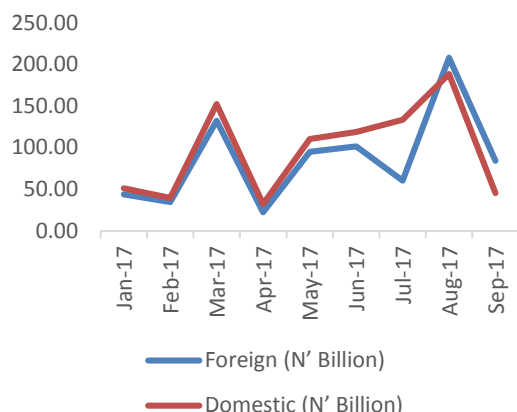
² 2017 YTD represents January to September 2017 transactions.

³ 2016 YTD represents January to September 2016 transactions.

⁴ The Exchange rate as at 29 September 2017 was ₦305.25



**Fig 1: Foreign vs Domestic Trend
Jan - Sept**



**Fig 2: Foreign vs Domestic Market Share
Jan/Sept**

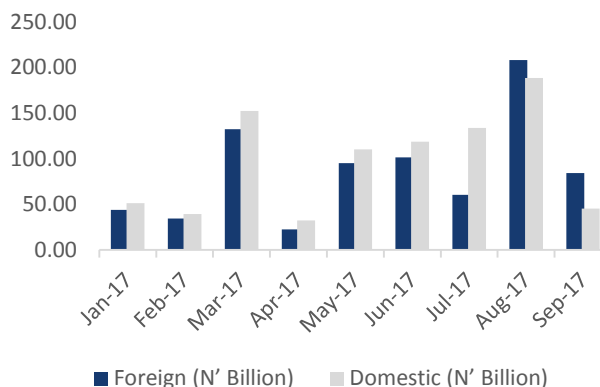


Fig 3: Retail vs. Institutional September 2017⁵

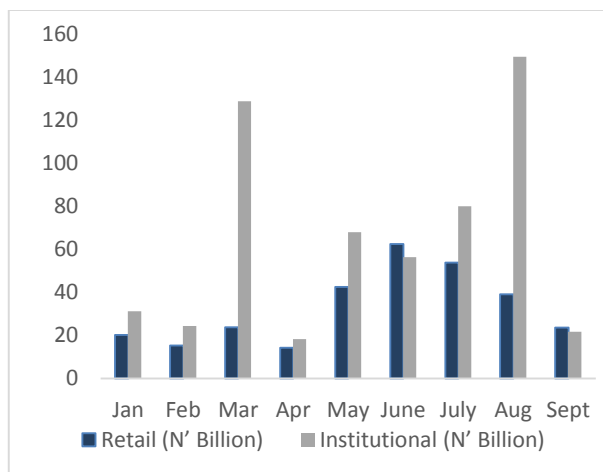


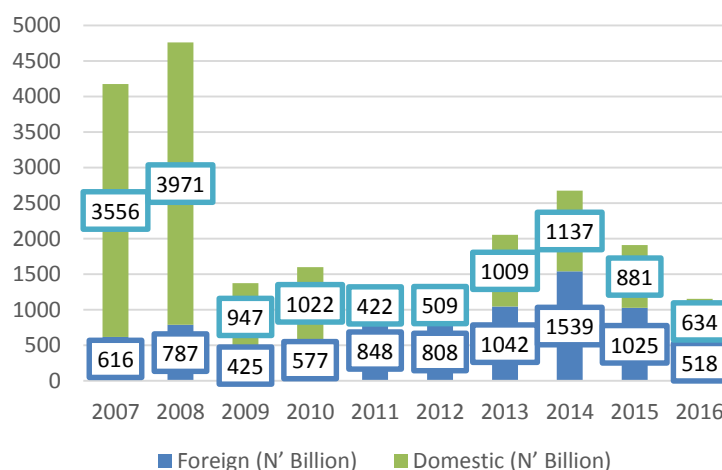
Fig 3 highlights the domestic composition of transactions on The Exchange between January and September 2017. The institutional composition of the domestic market decreased by 85.46% from ₦149.41 billion recorded in August to ₦21.72 billion in September 2017. The retail composition also decreased by 39.84% from ₦39.11 billion to ₦23.53 billion within the same period. This indicates a higher participation by institutional investors over their retail counterparts.

Fig 4 highlights that since 2011, foreign transactions have consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016, accounting for 55% of the total transaction volume in 2016.

Also, foreign transactions have further declined by 66.34% from ₦1.539t in 2014 to ₦518b in 2016, representing about 45% of total transactions in 2016.

Over the nine (9) year period, domestic transactions have significantly decreased by 85.43% from ₦3.556t in 2007 to ₦634b in 2016.

Fig 4: Foreign/Domestic Trend 2007 - 2016



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