



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – February 2016

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 at the end of February 2016.

Table 1: Analysis of Transactions for the Period Ended 29 February 2016¹

All figures are in N' Billion

| Period | Total | Foreign | Foreign % | Domestic | Domestic % | Foreign Inflow | Foreign outflow | Domestic Retail | Domestic Institutional |
|-----------------------|--------|---------|-----------|----------|------------|----------------|-----------------|-----------------|------------------------|
| Jan 2016 | 84.10 | 43.37 | 51.57% | 40.73 | 48.43% | 17.01 | 26.36 | 18.88 | 21.85 |
| Feb 2016 | 117.27 | 42.78 | 36.48% | 74.49 | 63.52% | 10.94 | 31.84 | 36.24 | 38.25 |
| Feb 2015 ² | 184.49 | 133.95 | 72.61% | 50.54 | 27.39% | 52.35 | 81.60 | 23.59 | 26.95 |
| 2016 YTD | 201.37 | 86.15 | 42.78% | 115.22 | 57.22% | 27.95 | 58.20 | 55.12 | 60.10 |

Analysis

Note the increase in transactions compared to January 2016.

Domestic vs. Foreign 2016

Total transactions at the nation's bourse increased by 39.44% from N84.10 billion recorded in January 2016 to N117.27 billion (about \$0.60 billion) in February 2016. In comparison to the same period in 2015, total transactions decreased by 36.44% from the N184.49 recorded in February 2015.

Domestic investors significantly outperformed foreign investors by 27.04%. Domestic transactions increased from 48.43% in January 2016 to 63.52% in February 2016 while FPI transactions decreased from 51.57% to 36.48% over the same period.

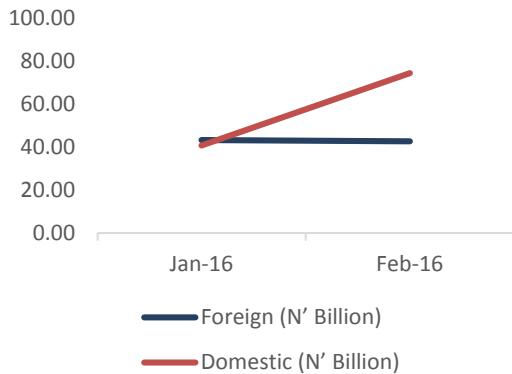
Monthly foreign outflows outpaced inflows which was consistent with the same period in 2015. Foreign outflows increased by 20.79% from N26.36 billion in January 2016 to N31.84 billion while foreign inflows decreased by 35.68% from N17.01 billion in January 2016 to N10.94 billion in February 2016.

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 The January 2016 and February 2015 transactions are included for comparison to the February 2016 transactions.



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



**Fig 2: Foreign vs Domestic
Jan/Feb**

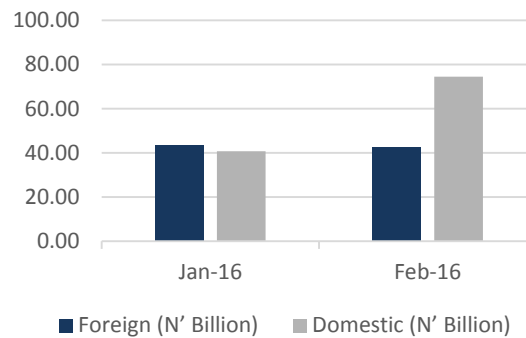


Fig 3: Retail vs. Institutional February 2016³

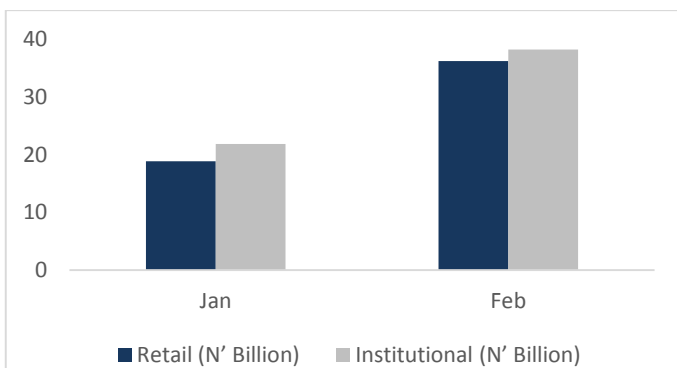


Fig 3 highlights the domestic composition of transactions on The Exchange between January and February 2016. The total domestic transaction increased by 82.89% from January to February 2016. The institutional composition of the domestic market increased by 75.05% from N21.85b in January to N38.25b in February whilst the retail composition increased by 91.95% from N18.88b in January to N36.24b in February 2016. This indicates that institutional investors slightly outperformed their retail counterparts in the period under review.

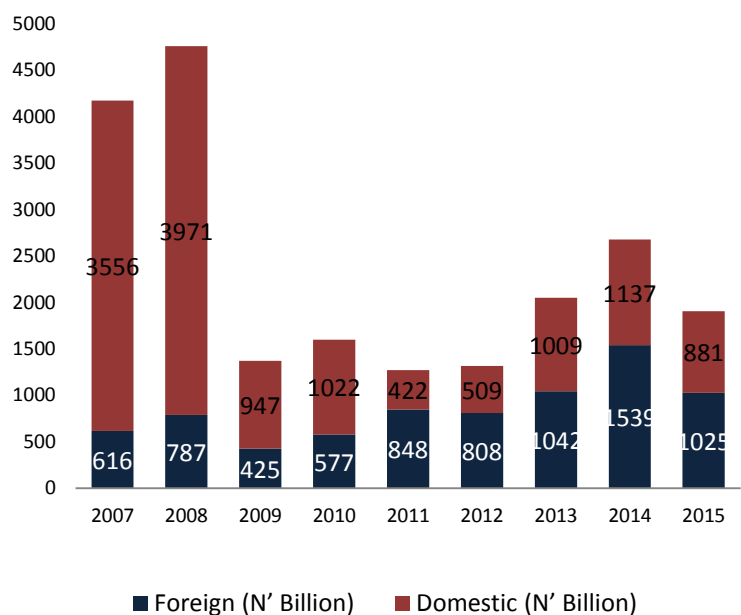
Fig 4 shows significant shift in FPI which outperformed domestic between 2011 and 2012.

In 2013, there was a major rebound in the domestic component which led to an almost equal split in foreign vs. domestic transactions.

This dropped in 2014 where FPI outperformed domestic transactions.

In 2015 FPI dropped compared to 2014. However, it slightly outperformed domestic transactions in the same period.

Fig 4: Foreign Domestic Trend 2007 - 2015



³ Information on the retail and institutional components of the total domestic transactions in February is based on data obtained from about 99% of Active Dealing Members of The Exchange.