



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – July 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 July 2016.

Table 1: Analysis of Transactions for the Period Ended 31 July 2016¹

All figures are in ₦' Billions

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
Mar 2016	96.31	34.44	35.76%	61.87	64.24%	15.40	19.04	23.35	38.52
April 2016	66.96	28.28	42.23%	38.68	57.77%	14.52	13.76	20.83	17.85
May 2016	103.92	40.58	39.05%	63.34	60.95%	20.96	19.62	32.69	30.65
June 2016	155.85	79.76	51.18%	76.08	48.82%	42.46	37.30	37.04	39.04
July 2016	90.19	44.28	49.10%	45.91	50.90%	23.43	20.85	20.96	24.95
2015 YTD ²	1,284.82	696.46	54.21%	588.36	45.79%	334.04	362.42	261.42	326.94
2016 YTD ³	714.60	313.49	43.87%	401.10	56.13%	144.72	168.77	189.99	211.11

Analysis

Note the significant decrease in transactions in 2016 compared to 2015.

Domestic vs. Foreign 2016

Total transactions at the nation's bourse decreased by 42.13% from ₦155.85 billion recorded in June 2016 to ₦90.19 billion (about \$0.29 billion)⁴ in July 2016. Also, total transactions from January to July 2016 decreased by 44.38% from ₦1,284.82 billion recorded within the same period in 2015 to ₦714.60 billion in 2016.

Domestic investors slightly outperformed their foreign counterparts by about 1.8%. Domestic transactions decreased by 39.66% from ₦76.08 billion in June 2016 to ₦45.91 billion in July 2016. FPI transactions decreased by 44.48% from ₦79.76 billion in June 2016 to ₦44.28 billion in July 2016.

Monthly foreign inflows slightly outpaced outflows as foreign inflows decreased by 44.82% from ₦42.46 billion in June to ₦23.43 billion in July 2016. Foreign outflows also decreased by 44.10% from ₦37.30 billion to ₦20.85 billion within the same period.

In comparison to the same period in 2015, total FPI transactions decreased by 54.99% from ₦696.46 billion to ₦313.49, whilst the total domestic transactions decreased by 31.83% from ₦588.36 billion to ₦401.10 billion.

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).

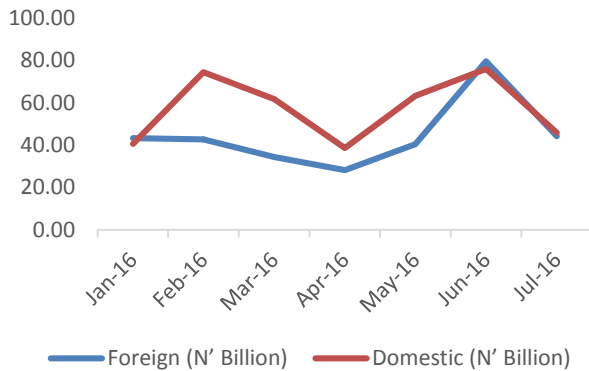
² 2015 YTD represents January to July 2015 transactions.

³ 2016 YTD represents January to July 2016 transactions. 2015 YTD and 2016 YTD are included for transaction comparison.

⁴ The Exchange rate as at 29 July 2016 was ₦312.50.



**Fig 1: Foreign vs Domestic Trend
January - July, 2016**



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

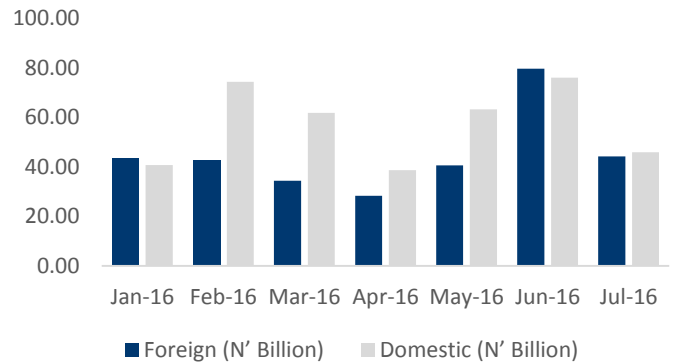


Fig 3: Retail vs. Institutional June 2016⁵

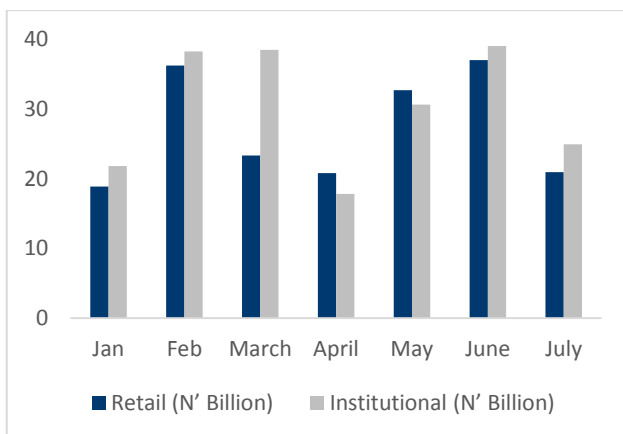


Fig 3 highlights the domestic composition of transactions on The Exchange between January and July 2016. The institutional composition of the domestic market decreased by 36.09% from N39.04b in June to N24.95b. The retail composition decreased by 43.41% from N37.04b in June to N20.96b. Institutional investors marginally outperformed their retail counterparts in the period under review.

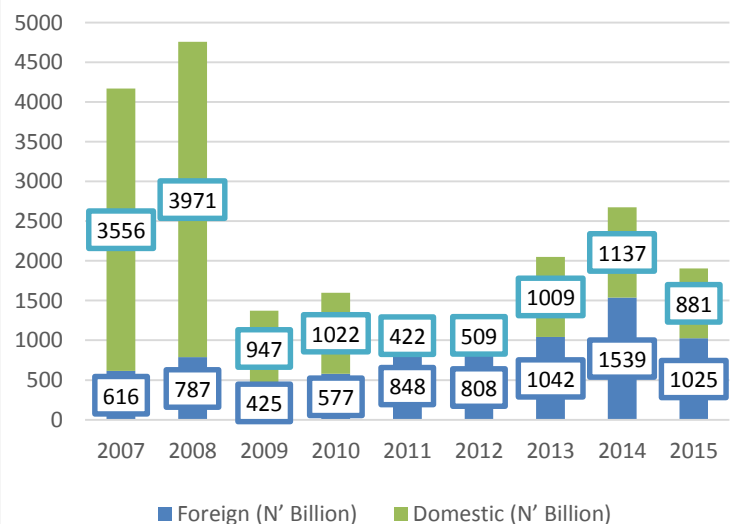
Fig 4 shows significant shift in FPI which outperformed domestic between 2011 and 2012.

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.

Foreign Domestic Trend 2007 - 2015



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