



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

Table 1: Analysis of Transactions for the Period Ended 31 December 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
Aug 2016	117.71	56.06	47.62%	61.65	52.38%	34.70	21.36	23.39	38.26
Sept 2016	94.77	43.59	46.00%	51.18	54.00%	24.41	19.18	20.23	30.95
Oct 2016	64.03	31.24	48.79%	32.79	51.21%	18.67	12.57	13.32	19.47
Nov 2016	64.39	29.15	45.27%	35.24	54.73%	14.53	14.62	15.66	19.58
Dec 2016	95.88	44.02	45.91%	51.86	54.09%	19.49	24.53	16.21	35.65
2016 YTD ²	1,151.38	517.55	44.95%	633.82	55.05%	256.52	261.03	278.80	355.02
2015 YTD ³	1,905.63	1,025.07	53.79%	880.56	46.21%	470.83	554.24	382.70	497.86

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

Analysis

Domestic vs. Foreign 2016

Total transactions at the nation's bourse increased by 48.91% from ₦64.39 billion recorded in November 2016 to ₦95.88 billion (about \$0.31 billion)⁴ in December 2016. Also, total transactions from January to December 2016 decreased significantly by 39.58% from ₦1, 905.63 billion recorded within the same period in 2015 to ₦1, 151.38 billion at the end of 2016.

Total foreign transactions decreased by 49.51% from recorded in ₦1,025 billion recorded at the end of 2015 to ₦517.55 billion at the end of 2016. Domestic transactions also decreased by 28.02% from N880.56 billion to N633.82 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 2016 YTD represents January to December 2016 transactions.

³ 2015 YTD represents January to December 2015 transactions.

⁴ The Exchange rate as at 30 December 2016 was ₦304.50.



Fig 1: Foreign vs Domestic Trend January - December, 2016

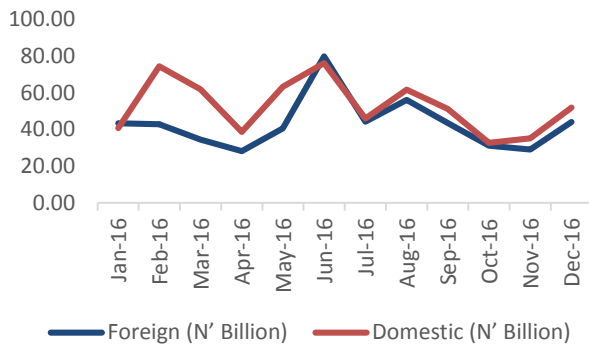


Fig 2: Foreign vs Domestic January - December, 2016

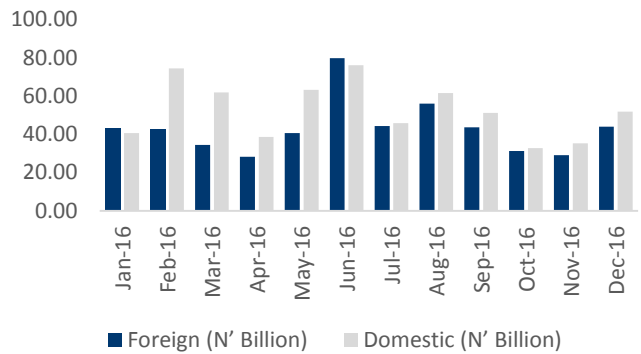


Fig 3: Retail vs. Institutional January - December 2016⁵

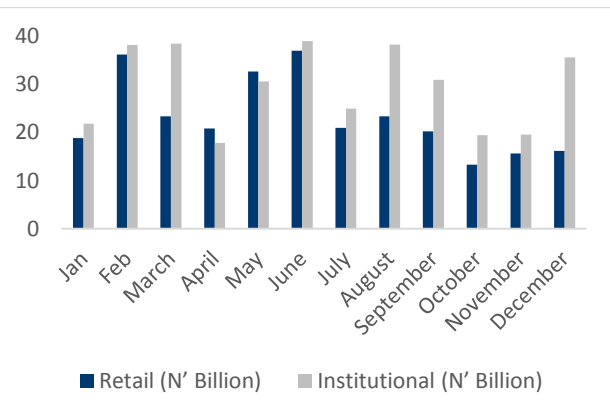


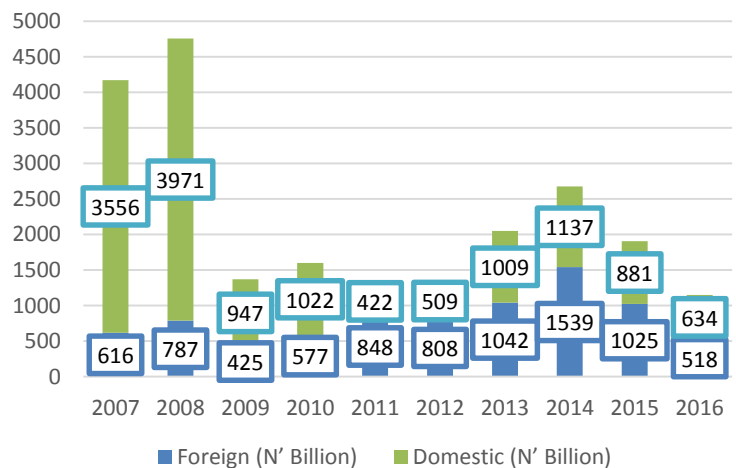
Fig 3 highlights the domestic composition of transactions on The Exchange between January and December 2016. The total domestic transactions increased by 27.32% between January and December. The institutional composition of the domestic market increased by 63.16% from ₦21.85b in January to ₦35.65b in December. The retail composition decreased by 14.14% from ₦18.88b to ₦16.21b within the same period. Institutional investors outperformed their retail counterparts for the most of 2016.

Foreign transactions have consistently outperformed domestic transaction since 2011. However, domestic transactions slightly out performed foreign transactions in 2016 accounting for 55% of the total transactions in 2016.

Also, foreign transactions have further declined by 66.34% from ₦1, 539b in 2014 to ₦518b in 2016 which represents about 45% of total transactions in 2016.

Over the nine (9) year period, domestic transactions has significantly decreased by 85.43% from ₦3, 556b in 2007 to ₦634b in 2016.

Foreign/Domestic Trend 2007 - 2016



⁵ Information on the retail and institutional components of the total domestic transactions in December is based on data obtained from about 96% of Active Dealing Members of The Exchange.