



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – January, 2015

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their foreign portfolio investments (FPI). The table below shows an analysis of transactions on The Exchange at the end of January 2015.

Table 1: Analysis of Transactions for the Period Ended 31 January 2015¹

Period	Total Transactions N' Billion	Total Foreign Inflow N' Billion	Total Foreign outflow N' Billion	Total Foreign transactions N' Billion	Total Domestic transactions N' Billion	Foreign %	Domestic %
Jan 2015	189.72	48.03	51.08	99.11	90.61	52.24%	47.76%
Jan 2014 ²	181.97	39.53	50.14	89.67	92.30	49.28%	50.72%
Dec 2014	258.08	71.14	53.36	124.50	133.58	48.24%	51.76%

Analysis

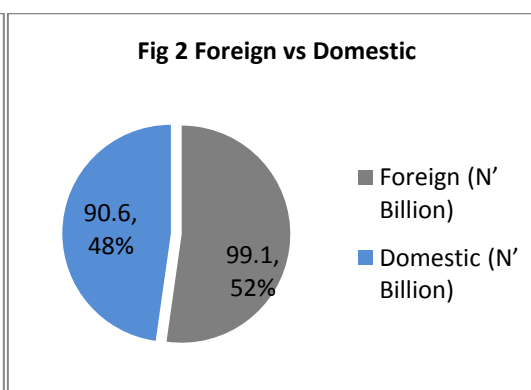
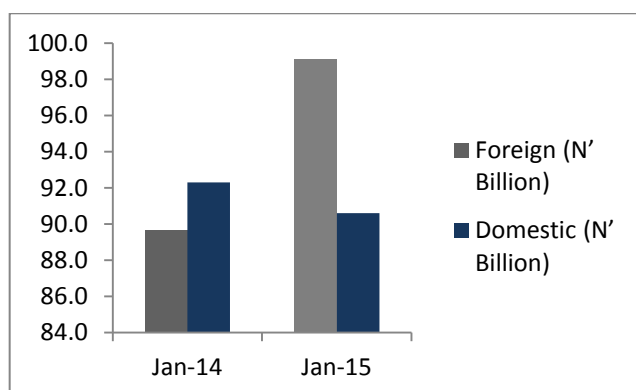
Domestic vs. Foreign 2014

Monthly FPI transactions at the nation's bourse which was N124.50 billion at the end of 2014 decreased to N99.11 billion (about \$0.60 billion) at the beginning of 2015, down 20.39% from December 2014. Domestic investors conceded about 4.48% of trading to foreign investors as Domestic transactions decreased from 51.76% to 47.76% while FPI transactions increased from 48.24% to 52.24% over the same period.

Total transactions decreased by 26.49% from N258.08 billion in December 2014 to N189.72 billion in January 2015. FPI inflows accounted for 25.32% of total transactions whilst outflows accounted for 26.92% of total transactions in January 2015.

In comparison to the same period in 2014, total FPI transactions increased by 10.52%, whilst the total domestic transactions decreased by 1.83%. FPI outflows outpaced inflows which was consistent with the same period in 2014. Overall, there was a 4.26% increase in total transactions in comparison to the same period in 2014.

Fig 1: Foreign vs. Domestic



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 2014 and December 2014 transactions are included for comparison to the January 2015 transactions.

Fig 3: Retail vs. Institutional January 2015³

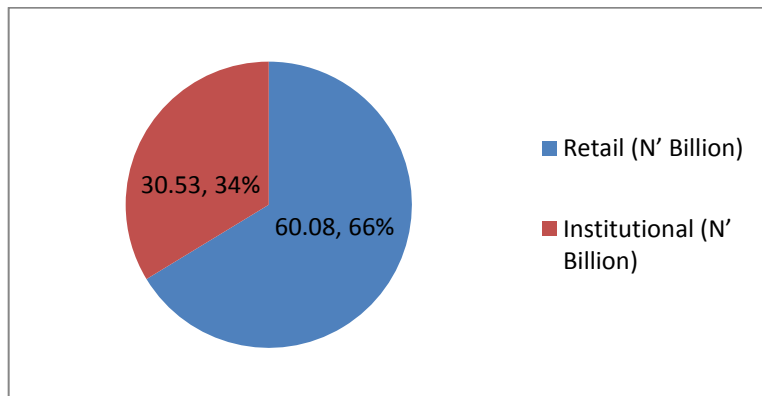
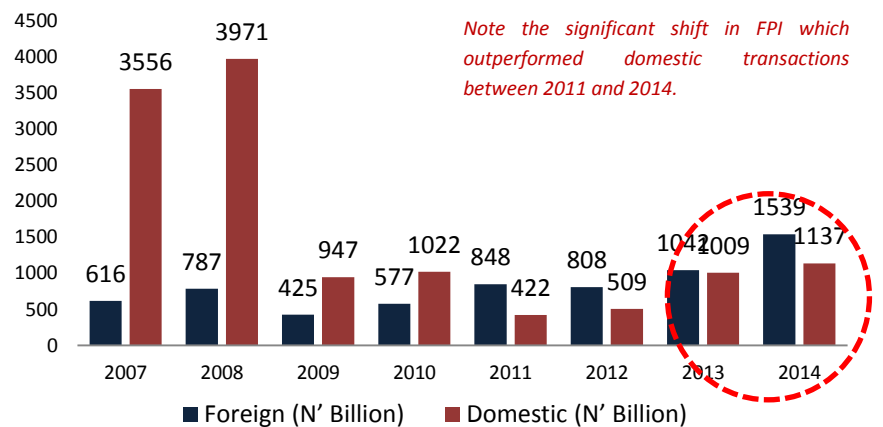


Fig 3 highlights the domestic composition of transactions on The Exchange in January 2015. It illustrates that the institutional composition of the domestic market accounted for 34% whilst the retail composition accounted for 66% in the same period. This indicates more active participation by retail investors over their institutional counterparts in the period under review.

Total FPI transactions of N616bn which accounted for 14.8% of total transactions in 2007 increased over the years to N1,539bn representing 57.5% of total transactions in 2014 (An increase of 42.7% over the 7 year period). Domestic transactions on the other hand started at N3,556bn representing 85.2% in 2007, but decreased significantly to N1,137bn representing 42.5% of total transactions in 2014 (A sharp decline of 42.7% in the 7 year period).

Fig 4: Historical Trends - Foreign vs Domestic



³ Information on the retail and institutional components of the total domestic transactions in December is based on data obtained from about 92% of Active Dealing Members of The Exchange.