



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – June, 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 June 2015.

Table 1: Analysis of Transactions for the Period Ended 30 June 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%
Feb 2015	184.49	52.35	81.60	133.95	50.54	72.61%	27.39%
Mar 2015	184.02	50.15	52.41	102.56	81.46	55.73%	44.27%
Apr 2015	206.86	54.20	49.75	103.95	102.91	50.25%	49.75%
May 2015	145.45	38.00	41.77	79.77	65.68	54.84%	45.16%
June 2015	203.45	42.67	26.98	69.65	133.80	34.24%	65.76%
June 2014 ²	225.51	68.78	49.22	118.00	107.51	52.32%	47.68%
2015 ytd	1,113.99	285.40	303.59	588.99	525.00	52.87%	47.13%

Analysis

Note the significant increase in Domestic transactions from 45.16% in May to 65.76% in June. On the contrary, FPI transactions decreased from 54.84% to 34.24% in the same period.

Domestic vs. Foreign 2015

Total transactions at the nation's bourse increased to N203.45 billion (about \$1.04 billion) in June 2015, up 39.88% from May 2015. FPI transactions decreased to N69.65 billion, down 12.69% from May 2015 while Domestic transactions increased to N133.80 billion in the same period, representing an upward movement of 103.71%.

Foreign investors conceded about 31.52% of trading to domestic investors as FPI transactions decreased from 54.84% of the total transactions in May to 34.24% in June while domestic transactions increased from 45.16% to 65.76% over the same period.

Foreign portfolio investors' inflows accounted for 20.97% of total transactions while the outflows accounted for 13.26% of the total transactions in June 2015.

In comparison to the same period in 2014, total FPI transactions decreased by 40.97%, whilst the total domestic transactions increased by 24.45%. FPI inflows outpaced outflows which was consistent with the same period in 2014. Overall, there was a 9.78% decrease in total transactions in comparison to the same period in 2014.

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 May 2015 and June 2014 transactions are included for comparison to the June 2015 transactions.

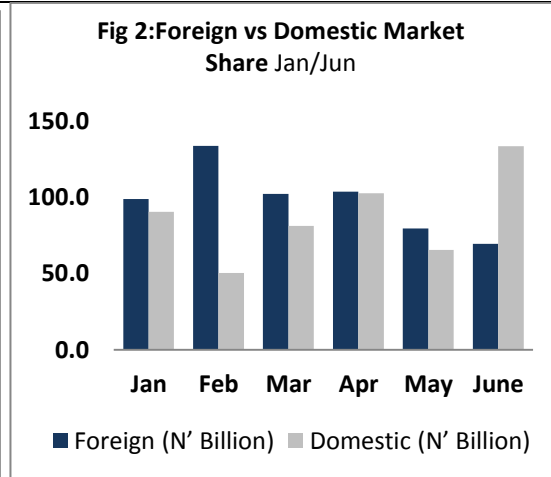
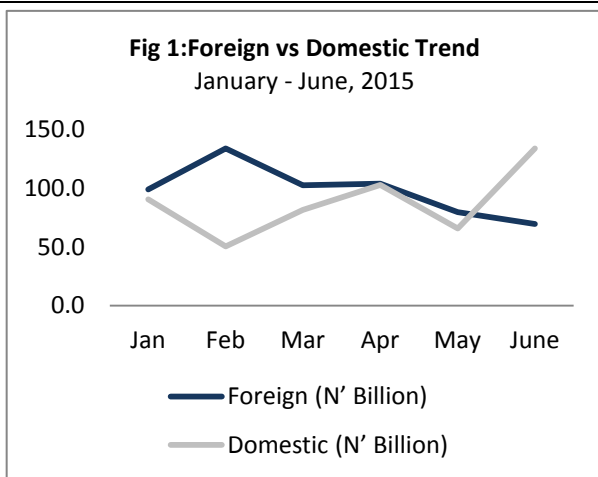
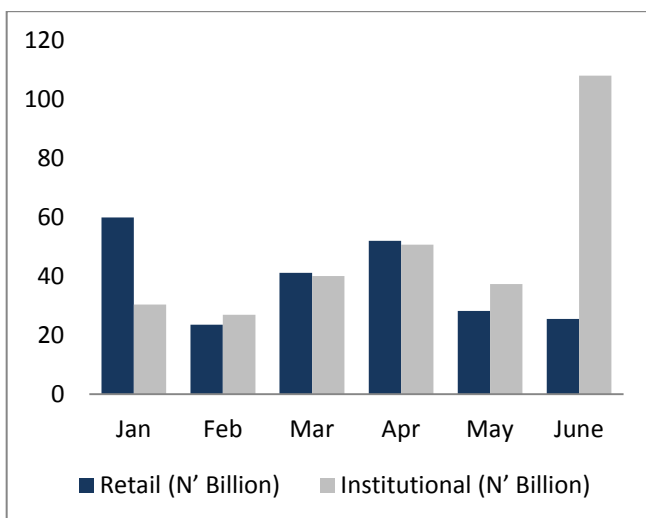
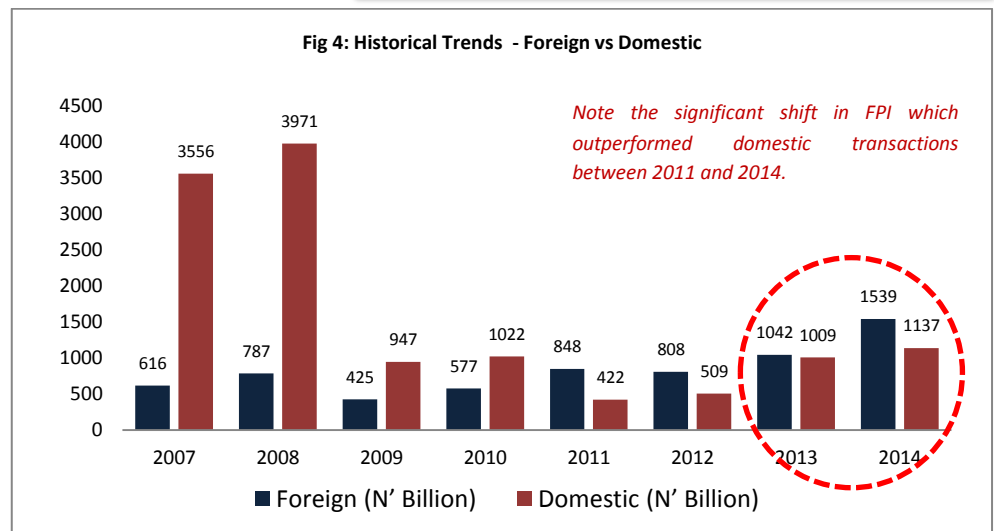


Fig 3: Retail vs. Institutional June 2015³



The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and June, 2015. It illustrates that total domestic transactions increased by 47.67% from January to June 2015. The institutional composition of the domestic market which was about 33.69% at the end of January increased to 80.89% at the end of June, whilst the retail composition decreased from 66.31% to 19.11% in the same period.

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



³ Information on the retail and institutional components of the total domestic transactions in June is based on data obtained from about 96% of Active Dealing Members of The Exchange.