



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

Table 1: Analysis of Transactions for the Period Ended 31 May 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%
May 2014 ²	201.61	41.27	50.59	91.86	109.75	45.56%	54.44%
2015 ytd	910.54	242.73	276.61	519.34	391.20	57.04%	42.96%

Analysis

Note the Significant decrease in Total Foreign and Domestic Transactions in May compared to April.

Domestic vs. Foreign 2015

FPI transactions at the nation's bourse decreased to N79.77 billion (about \$0.41 billion) in May 2015, down 23.26% from April 2015. Domestic investors conceded about 9.68% of trading to foreign investors as Domestic transactions decreased from 49.75% to 45.16% while FPI transactions increased from 50.25% to 54.84% over the same period

Total transactions decreased by 29.69% from N206.86 billion in April to N145.45 billion in May and foreign portfolio investors' inflows accounted for 26.12% of total transactions while the outflows accounted for 28.72% of the total transactions in May 2015.

In comparison to the same period in 2014, total FPI transactions decreased by 13.16%, whilst the total domestic transactions decreased by 40.16%. FPI outflows outpaced inflows which was consistent with the same period in 2014. Overall, there was a 27.86% 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 April 2015 and May 2014 transactions are included for comparison to the May 2015 transactions.

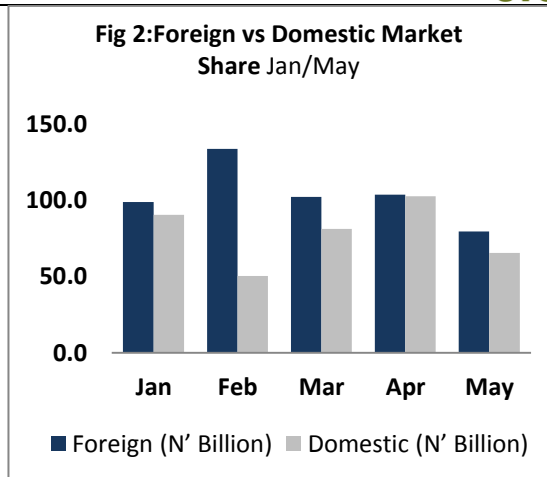
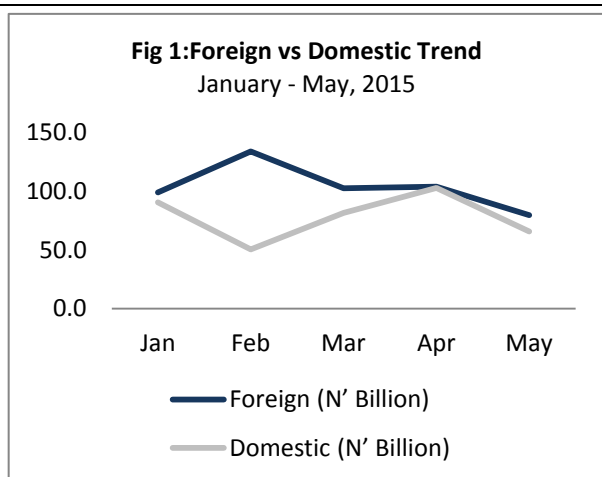
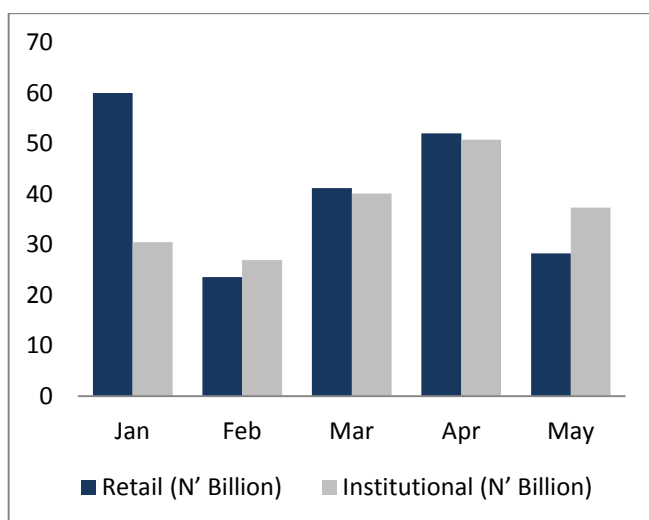
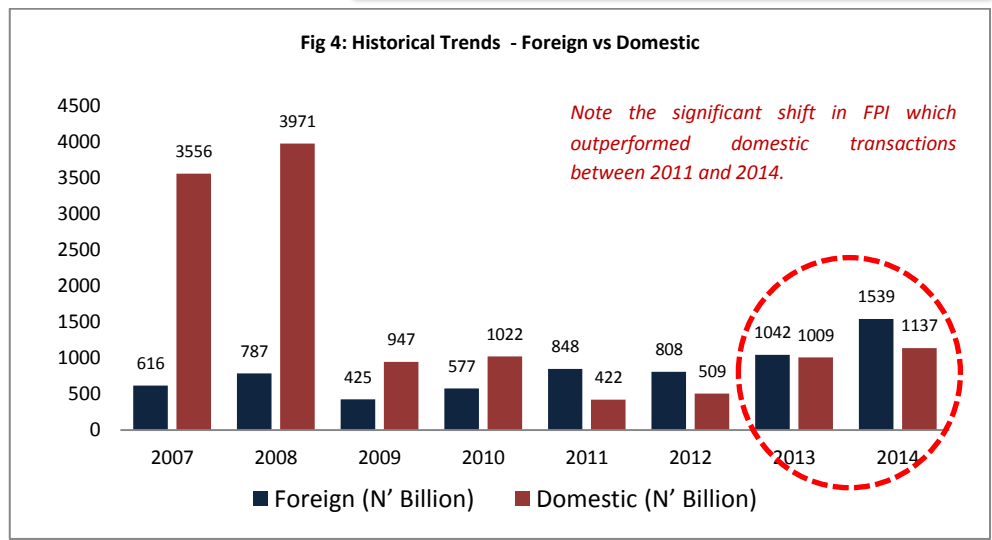


Fig 3: Retail vs. Institutional May 2015³



The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and May, 2015. It illustrates that total domestic transactions decreased by 27.51% from January to May 2015. The institutional composition of the domestic market which was about 33.69% at the end of January increased to 56.93% at the end of May, whilst the retail composition decreased from 66.31% to 43.07% 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 May is based on data obtained from about 95% of Active Dealing Members of The Exchange.