



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – OCTOBER 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 October 2015.

Table 1: Analysis of Transactions for the Period Ended 31 October 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%
July 2015	170.83	48.64	58.83	107.47	63.36	62.91%	37.09%
Aug 2015	145.69	33.06	48.07	81.13	64.56	55.69%	44.31%
Sept 2015	129.92	29.26	40.07	69.33	60.59	53.36%	46.64%
Oct 2015	106.84	25.56	28.64	54.20	52.64	50.73%	49.27%
Oct 2014 ²	175.10	52.06	101.22	153.28	21.82	87.54%	12.46%
2015 ytd	1,667.27	421.92	479.20	901.12	766.15	54.05%	45.95%

Analysis

Note the significant decrease in transactions compared to October 2014. We note that the drop in total transactions is largely as a result of the significant reduction in foreign participation in the period.

Domestic vs. Foreign 2015

Monthly FPI transactions at the nation's bourse decreased to N54.20 billion (about \$0.28 billion) in October 2015 from N69.33 billion (about \$0.35 billion) at the end of September 2015; representing a decrease of 21.82%. Domestic investors conceded about 1.46% of trading to foreign investors compared to the 6.72% they conceded in the previous month as Domestic transactions increased from 46.64% to 49.27% while FPI transactions decreased from 53.36% to 50.73% over the same period.

Foreign portfolio investors' inflows accounted for 23.92% of total transactions while the outflows accounted for 26.81% of the total transactions in October 2015.

In comparison to the same period in 2014, total FPI transactions decreased by 64.64%, whilst the total domestic transactions increased by 141.25%. FPI outflows outpaced inflows which was consistent with the same period in 2014. Overall, there was a 38.98% 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 September 2015 and October 2014 transactions are included for comparison to the October 2015 transactions.



Fig 1: Foreign vs Domestic Trend
January - October, 2015

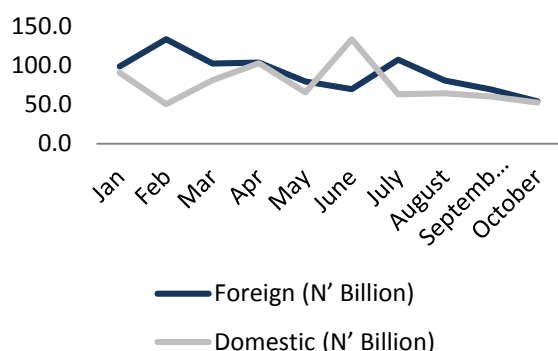


Fig 2: Foreign vs Domestic Market Share Jan/Oct

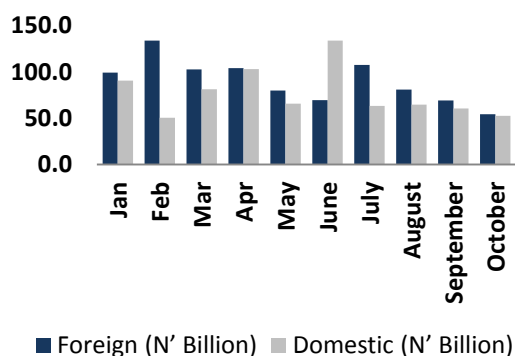
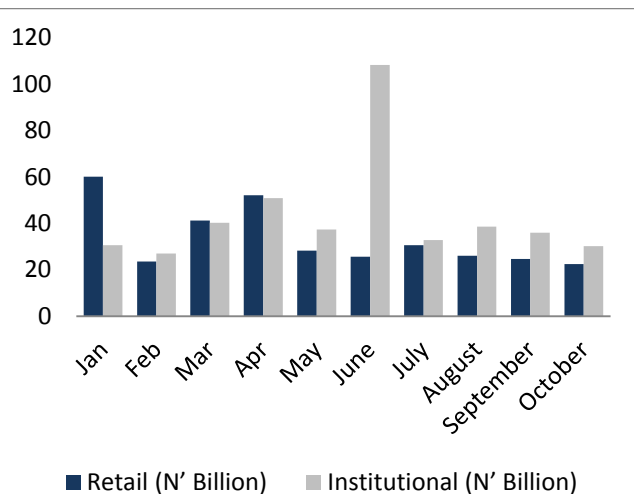


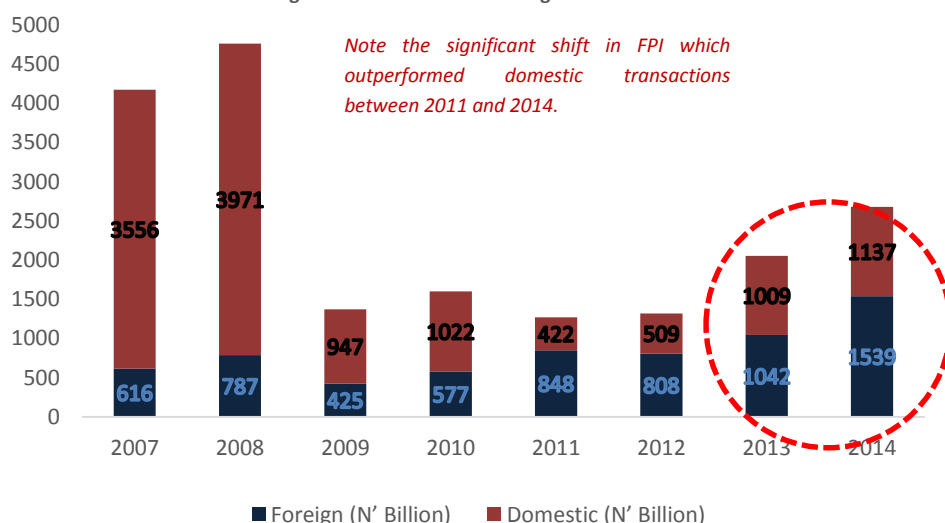
Fig 3: Retail vs. Institutional August 2015³



The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and October, 2015. It illustrates that total domestic transactions decreased by 41.90% from January to October 2015. The institutional composition of the domestic market which was about 33.69% at the end of January increased to 57.41% at the end of September, whilst the retail composition decreased from 66.31% to 42.59% 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 year period).

Fig 4: Historical Trends - Foreign vs Domestic



³ Information on the retail and institutional components of the total domestic transactions in October is based on data obtained from about 94% of Active Dealing Members of The Exchange.