



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

Table 1: Analysis of Transactions for the Period Ended 30 September 2015¹

Period	Total Transactions N' Billion	Total Foreign Inflow N' Billion	Total Foreign outflow 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%
Sept 2014 ²	522.74	134.14	92.54	226.68	296.06	43.36%	56.64%
2015 ytd	1,560.43	396.36	450.56	846.92	713.51	54.27%	45.73%

Analysis

Note the significant decrease in transactions compared to September 2014. However we note that The Exchange recorded its largest single trade in the same period last year.

Domestic vs. Foreign 2015

Monthly FPI transactions at the nation's bourse decreased to N69.33 billion (about \$0.35 billion) in September 2015 from N81.13 billion (about \$0.41 billion) at the end of August 2015; representing a decrease of 14.54%. Domestic investors conceded about 6.72% of trading to foreign investors compared to the 11.38% they conceded in the previous month as Domestic transactions increased from 44.31% to 46.64% while FPI transactions decreased from 55.69% to 53.36% over the same period.

Foreign portfolio investors' inflows accounted for 22.52% of total transactions while the outflows accounted for 30.84% of the total transactions in September 2015.

In comparison to the same period in 2014, total FPI transactions decreased by 69.42%, whilst the total domestic transactions decreased by 79.53%. FPI outflows outpaced inflows which was not consistent with the same period in 2014. Overall, there was a 75.15% 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 August 2015 and September 2014 transactions are included for comparison to the September 2015 transactions.



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

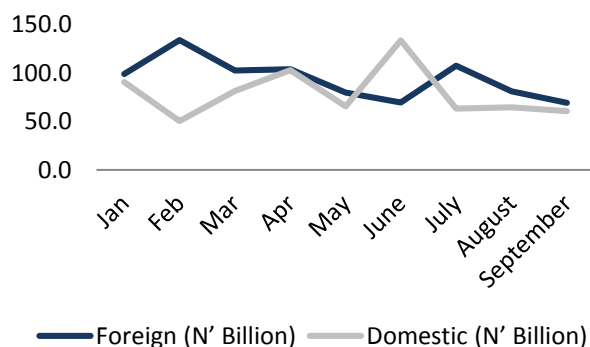


Fig 2: Foreign vs Domestic Market Share Jan/Sep

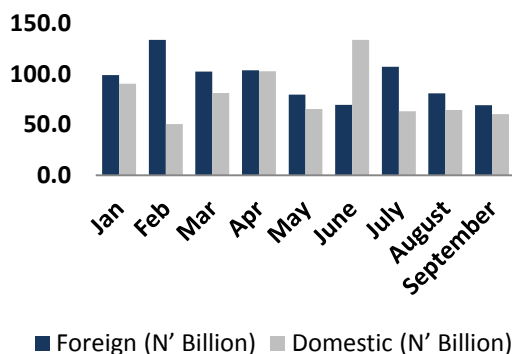
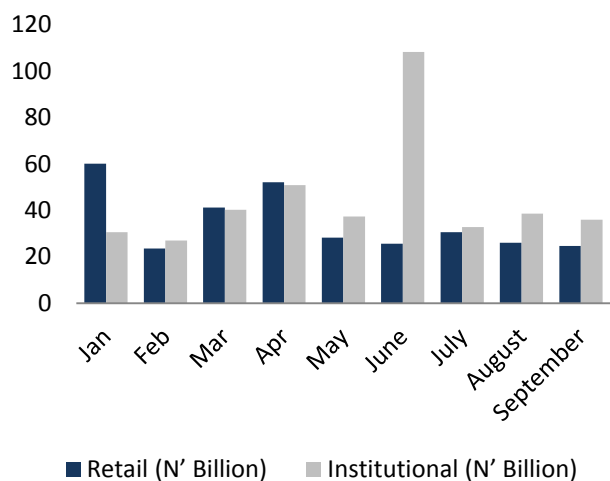


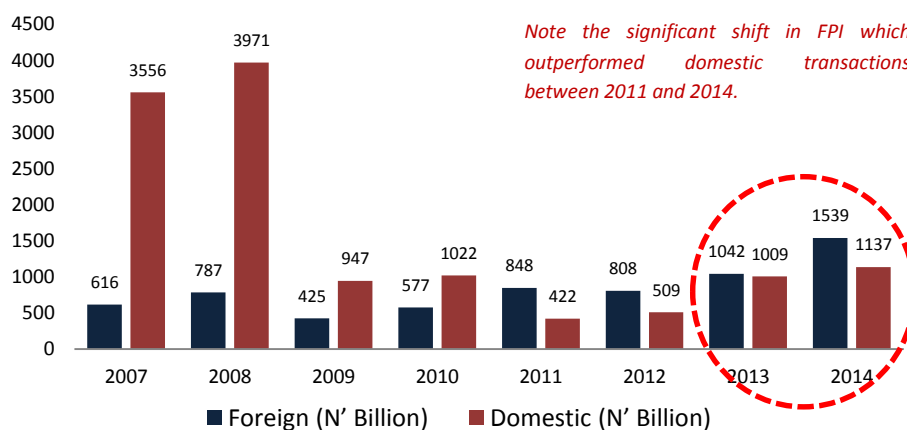
Fig 3: Retail vs. Institutional August 2015³



The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and September, 2015. It illustrates that total domestic transactions decreased by 33.13% from January to September 2015. The institutional composition of the domestic market which was about 33.69% at the end of January increased to 59.32% at the end of September, whilst the retail composition decreased from 66.31% to 40.68% 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



Note the significant shift in FPI which outperformed domestic transactions between 2011 and 2014.

³ Information on the retail and institutional components of the total domestic transactions in September is based on data obtained from about 95% of Active Dealing Members of The Exchange.