



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – April 2017

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their Foreign Portfolio Investment (FPI) flows. The table below shows an analysis of transactions on The Exchange as at the end of April 2017.

Table 1: Analysis of Transactions for the Period Ended 30 April 2017¹

All figures are in ₦' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2017	95.32	44.01	46.17%	51.31	53.83%	22.61	21.40	20.12	31.19
Feb 2017	74.11	34.54	46.61%	39.57	53.39%	16.10	18.44	15.22	24.35
Mar 2017	285.05	132.51	46.49%	152.54	53.51%	23.64	108.87	23.77	128.77
April 2017	54.90	22.45	40.89%	32.45	59.11%	14.54	7.91	14.20	18.25
2017 YTD ²	509.38	233.51	45.84%	275.87	54.16%	76.89	156.62	73.31	202.56
2016 YTD ³	364.64	148.87	40.83%	215.77	59.17%	57.87	91.00	99.30	116.47

Note the significant decrease in transactions in April compared to March 2017.

Analysis

Domestic vs. Foreign 2017

Total transactions at the nation's bourse decreased significantly by 80.74% from ₦285.05 billion recorded in March 2017 to ₦54.90 billion (about \$0.18 billion)⁴ in April 2017.

Domestic investors outperformed foreign investors by 18.22%. Total domestic transactions decreased by 78.73% from ₦152.54 billion recorded in March 2017 to ₦32.45 billion in April 2017. Foreign transactions also decreased by 83.06% from ₦132.51 billion to ₦22.45 billion within the same period.

Monthly foreign inflows outpaced outflows as foreign inflows decreased by 38.49% from ₦23.64 billion in March to ₦14.54 billion in April 2017. Foreign outflows also decreased by 92.73% from ₦108.87 billion in March to ₦7.91 billion in April 2017.

In comparison to the same period in 2016, total FPI transactions from January to April 2017 increased by 56.85% from ₦148.87 billion to ₦233.51, whilst the total domestic transactions increased by 27.85% from ₦215.77 billion to ₦275.87 billion.

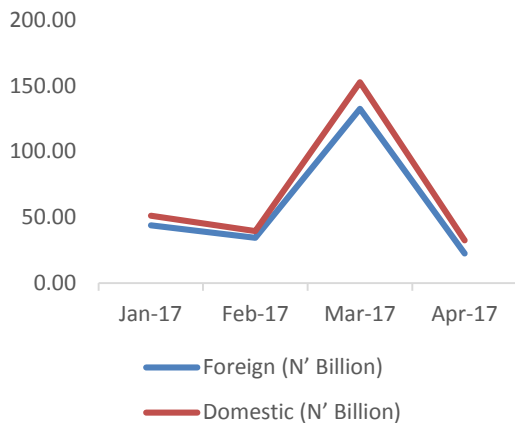
¹ Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on the Nigerian Stock Exchange (Equities only).

² 2017 YTD represents January to April 2017 transactions.

³ 2016 YTD represents January to April 2016 transactions.

⁴ The Exchange rate as at 28 April 2017 was ₦305.35

**Fig 1: Foreign vs Domestic Trend
Jan - April**



**Fig 2: Foreign vs Domestic Market Share
Jan/April**

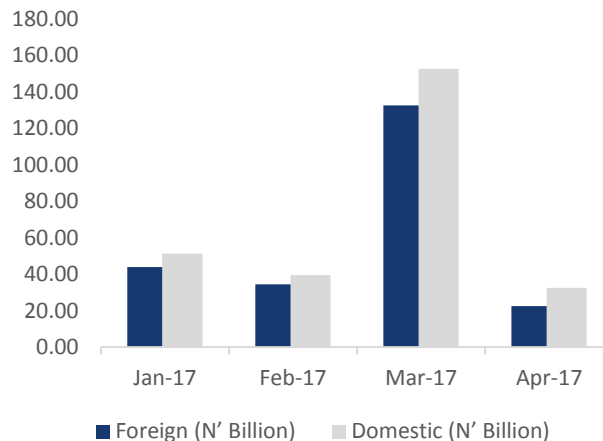


Fig 3: Retail vs. Institutional April 2017⁵

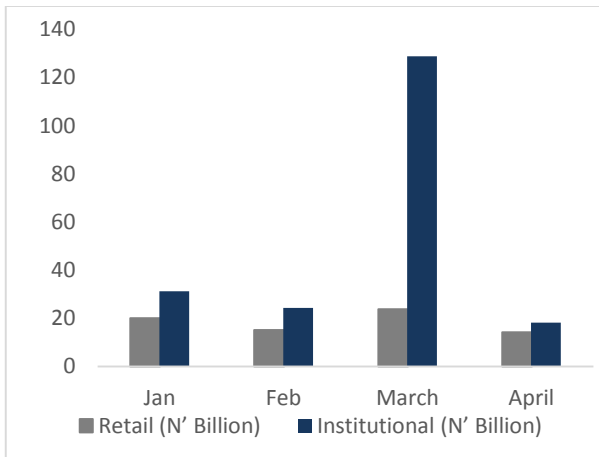


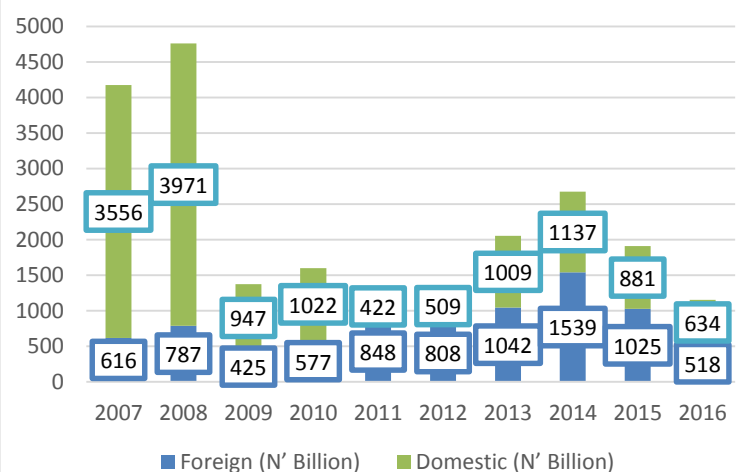
Fig 3 highlights the domestic composition of transactions on The Exchange between January and April 2017. The institutional composition of the domestic market decreased significantly by 85.83% from ₦128.77 billion recorded in March to ₦18.25 billion in April 2017. The retail composition also decreased by 40.26% from ₦23.77 billion to ₦14.20 billion within the same period. This indicates a sharper decline in participation by institutional investors in comparison to their retail counterparts in the period under review.

Fig 4 highlights that since 2011, foreign transactions have consistently outperformed domestic transactions. However, domestic transactions slightly outperformed foreign transactions in 2016, accounting for 55% of the total transaction volume in 2016.

Also, foreign transactions have further declined by 66.34% from ₦1, 539b in 2014 to ₦518b in 2016, representing circa 45% of total transactions in 2016.

Over the nine (9) year period, domestic transactions have significantly decreased by 85.43% from ₦3, 556b in 2007 to ₦634b in 2016.

Fig 4: Foreign/Domestic Trend 2007 - 2016



⁵ Information on the retail and institutional components of total domestic transactions in April is based on data obtained from about 98% of Active Dealing Members of The Exchange.