



**DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION  
IN EQUITY TRADING – December 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 December 2017.

**Table 1: Analysis of Transactions for the Period Ended 31 December 2017<sup>1</sup>**

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
May 2017	205.61	95.19	46.30%	110.42	53.70%	73.15	22.04	42.47	67.95
June 2017	220.27	101.53	46.09%	118.74	53.91%	65.93	35.60	62.40	56.34
July 2017	194.15	60.50	31.16%	133.65	68.84%	38.44	22.06	53.75	79.90
Aug 2017	396.86	208.34	52.50%	188.52	47.50%	165.47	42.87	39.11	149.41
Sep 2017	129.52	84.27	65.06%	45.25	34.94%	48.42	35.85	23.53	21.72
Oct 2017	127.82	67.64	52.92%	60.18	47.08%	39.56	28.08	27.18	33.00
Nov 2017	278.49	150.10	53.90%	128.39	46.10%	90.96	59.14	43.13	85.26
Dec 2017	480.80	206.48	42.95%	274.32	57.05%	173.43	33.05	32.92	241.40
2017 YTD <sup>2</sup>	2,542.90	1,207.56	47.49%	1,335.34	52.51%	772.25	435.31	397.80	937.54
2016 YTD <sup>3</sup>	1,511.38	517.55	44.95%	633.82	55.05%	256.52	261.03	278.80	355.02

Note the increase in total transactions within the last quarter of the year.

## Analysis

### Domestic vs. Foreign 2017

Total transactions at the nation's bourse significantly increased by 72.64% from ₦278.49 billion recorded in November 2017 to ₦480.80 billion (about \$1.57 billion)<sup>4</sup> in December 2017. The aggregate value of transactions from January to December 2017 increased significantly by 68.25% from ₦1.511 trillion recorded in 2016 to ₦2.543 trillion in 2017.

Total foreign transactions increased by 37.56% from ₦150.10 billion recorded in November 2017 to ₦206.48 billion in December 2017. Domestic transactions significantly increased by 113.66% from ₦128.39 billion to ₦274.32 billion within the same period.

<sup>1</sup> 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).

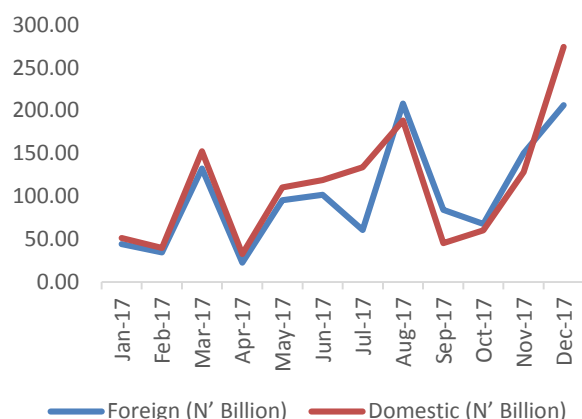
<sup>2</sup> 2017 YTD represents January to December 2017 transactions.

<sup>3</sup> 2016 YTD represents January to December 2016 transactions.

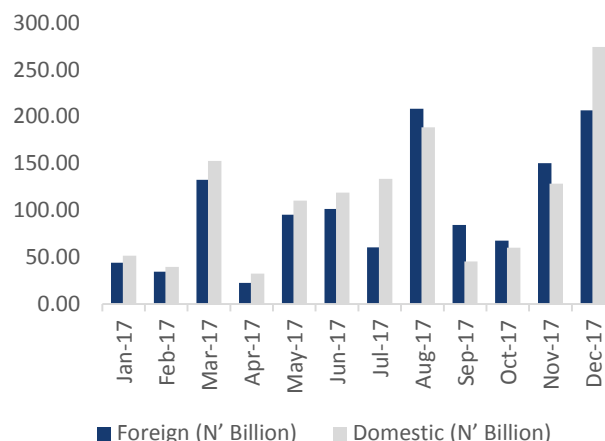
<sup>4</sup> The Exchange rate as at 31 December 2017 was ₦305.50.



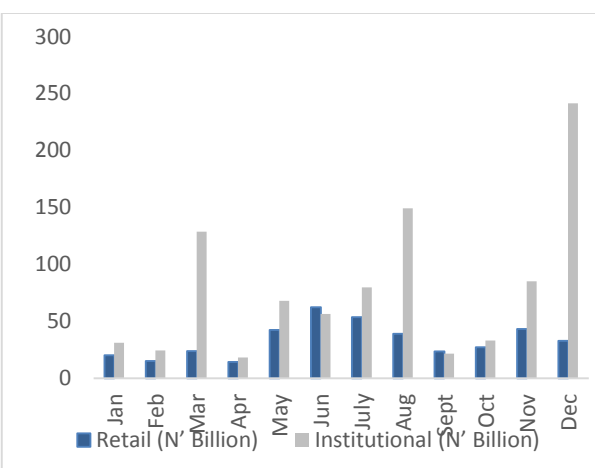
**Fig 1: Foreign vs Domestic Trend  
Jan - Dec**



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



**Fig 3: Retail vs. Institutional January to December 2017<sup>5</sup>**



**Fig 3 highlights the domestic composition of transactions on The Exchange between January and December 2017. Total domestic transactions significantly increased by 434.63% between January and December.**

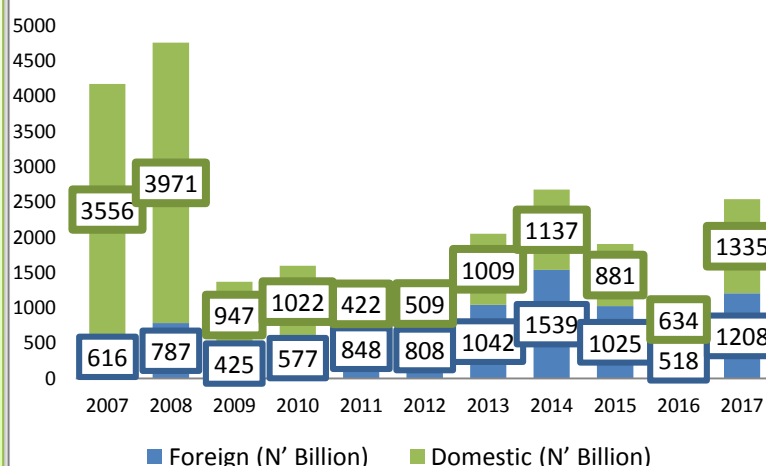
**The institutional composition of the domestic market increased by 673.97% from ₦31.19 in January to ₦241.40 in December. The retail composition also increased by 63.62% from ₦20.12 billion to ₦32.92 billion within the same period. This indicates a higher participation by Institutional investors over their retail counterparts.**

**Fig 4 highlights that since 2011, foreign transactions have consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, accounting for 52% of the total transaction value in 2017.**

**Also, foreign transactions which was ₦1.539t in 2014 declined to ₦518b in 2016, but increased significantly by 133% to ₦1.208t in 2017 thereby accounting for about 48% of total transactions in 2017.**

**Over an eleven (11) year period, domestic transactions have decreased by 62.46% from ₦3.556t in 2007 to ₦1.335t in 2017. However, there was a significant increase in 2017 by 111% from ₦634 billion recorded in 2016.**

**Fig 4: Foreign/Domestic Trend 2007 - 2017**



<sup>5</sup> Information on the retail and institutional components of total domestic transactions in December 2017 is based on data obtained from about 98% of Active Dealing Members of The Exchange.