



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

Table 1: Analysis of Transactions for the Period Ended 30 June 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
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
2017 YTD ²	935.26	430.23	46.00%	505.03	54.00%	215.97	214.26	178.18	326.85
2016 YTD ³	624.41	269.22	43.12%	355.19	56.88%	121.29	147.92	169.03	186.16

Note the significant increase in transactions in 2017 compared to 2016.

Analysis

Domestic vs. Foreign 2017

Total transactions at the nation's bourse increased by 7.13% from ₦205.61 billion recorded in May 2017 to ₦220.27 billion (about \$0.72 billion)⁴ in June 2017. Also, total transactions for the first half of the year increased by 49.78% from ₦624.41 billion recorded in 2016 to ₦935.26 billion in 2017.

Domestic investors outperformed foreign investors by 7.82%. Total domestic transactions increased by 7.53% from ₦110.42 billion recorded in May 2017 to ₦118.74 billion in June 2017. Foreign transactions also increased by 6.66% from ₦95.19 billion to ₦101.53 billion within the same period.

Monthly foreign inflows outpaced outflows. However, foreign inflows decreased by 10.95% from ₦73.15 billion in May 2017 to ₦65.93 billion in June 2017 while foreign outflows increased by 38.09% from ₦22.04 billion in May 2017 to ₦35.60 billion in June 2017.

In comparison to the first half of 2016, total FPI transactions increased by 59.81% from ₦269.22 billion to ₦430.23, whilst the total domestic transactions increased by 42.19% from ₦505.03 billion to ₦355.19 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).

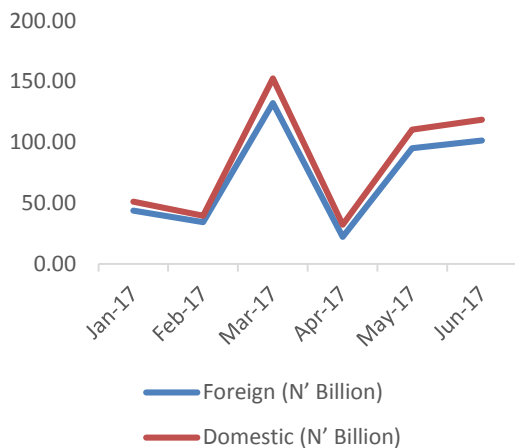
² 2017 YTD represents January to June 2017 transactions.

³ 2016 YTD represents January to June 2016 transactions.

⁴ The Exchange rate as at 30 June 2017 was ₦305.40



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



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

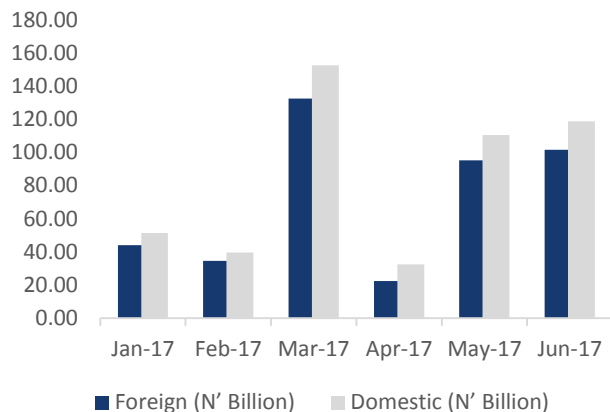


Fig 3: Retail vs. Institutional June 2017⁵

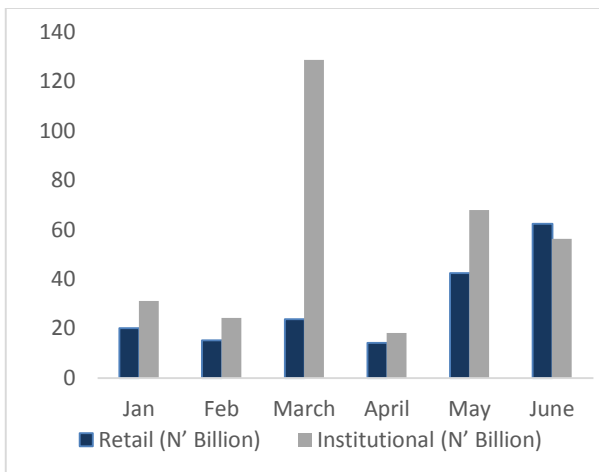


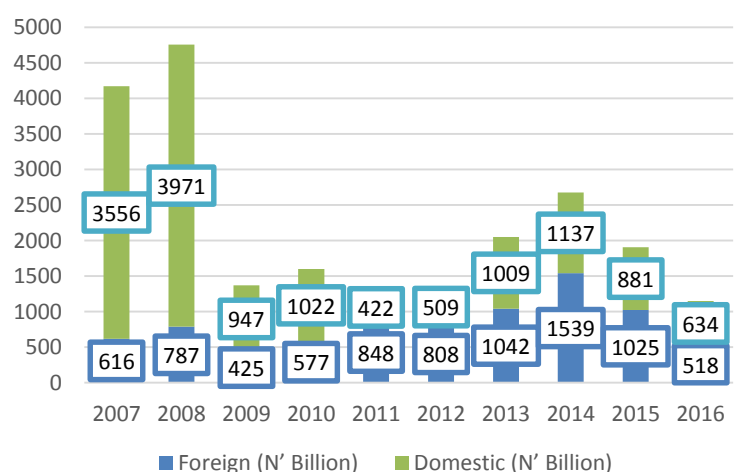
Fig 3 highlights the domestic composition of transactions on The Exchange between January and June 2017. The institutional composition of the domestic market decreased by 17.09% from ₦67.95 billion recorded in May to ₦56.34 billion in June 2017. However, the retail composition increased by 46.92% from ₦42.47 billion to ₦62.40 billion within the same period. This indicates a higher participation by retail investors over their institutional counterparts for the first time this year.

Fig 4 highlights that since 2011, foreign transactions have consistently outperformed domestic transactions. However, domestic transactions marginally 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 about 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 June is based on data obtained from about 97% of Active Dealing Members of The Exchange.