



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – June 2016

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 at the end of June 2016.

Table 1: Analysis of Transactions for the Period Ended 30 June 2016¹

All figures are in N' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2016	84.10	43.37	51.57%	40.73	48.43%	17.01	26.36	18.88	21.85
Feb 2016	117.27	42.78	36.48%	74.49	63.52%	10.94	31.84	36.24	38.25
Mar 2016	96.31	34.44	35.76%	61.87	64.24%	15.40	19.04	23.35	38.52
April 2016	66.96	28.28	42.23%	38.68	57.77%	14.52	13.76	20.83	17.85
May 2016	103.92	40.58	39.05%	63.34	60.95%	20.96	19.62	32.69	30.65
June 2016	155.85	79.77	51.18%	76.08	48.82%	42.46	37.30	37.04	39.04
2015 (H1) ²	1,113.99	588.99	52.87%	525.00	47.13%	285.40	303.59	230.86	294.13
2016 (H1) ³	624.41	269.22	43.12%	355.19	56.88%	121.29	147.92	169.03	186.16

Analysis

Note the significant decrease in transactions in 2016 compared to 2015.

Domestic vs. Foreign 2016

Total transactions at the nation's bourse increased by 49.97% from N103.92 billion recorded in May 2016 to N155.85 billion (about \$0.55 billion) in June 2016. However, total transactions for the first half of the year decreased by 43.95% from N1,113.99 billion recorded in 2015 to N624.41 in 2016.

Domestic investors conceded about 2.33% to their foreign counterparts. Domestic transactions increased by 20.11% from N63.34 in May 2016 to N76.08 in June 2016. FPI transactions increased by 96.57% from N40.58 billion in May 2016 to N79.77 billion in 2016.

Monthly foreign inflows slightly outpaced outflows as foreign inflows increased by 102.58% from N20.96 billion in May to N42.46 billion while foreign outflows also increased by 90.11% from N19.62 billion to N37.30 billion within the same period.

In comparison to the same period in 2015, total FPI transactions decreased by 54.29% from N588.99 billion to N269.22, whilst the total domestic transactions decreased by 32.34% from N525.00 billion to N355.19 billion.

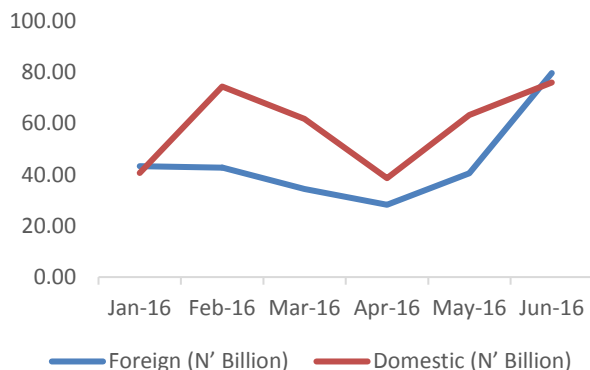
¹ Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on the Nigerian Stock Exchange (Equities only).

² 2015 (H1) represents January to June 2015 transactions.

³ 2016 (H1) represents January to June 2016 transactions. 2015 (H1) and 2016 (H1) are included for transaction comparison.



**Fig 1: Foreign vs Domestic Trend
January - June, 2016**



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

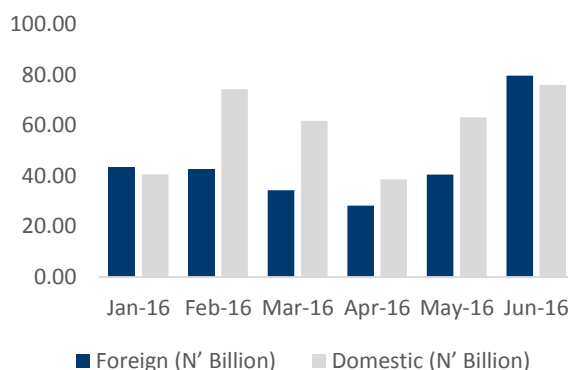


Fig 3: Retail vs. Institutional June 2016⁴

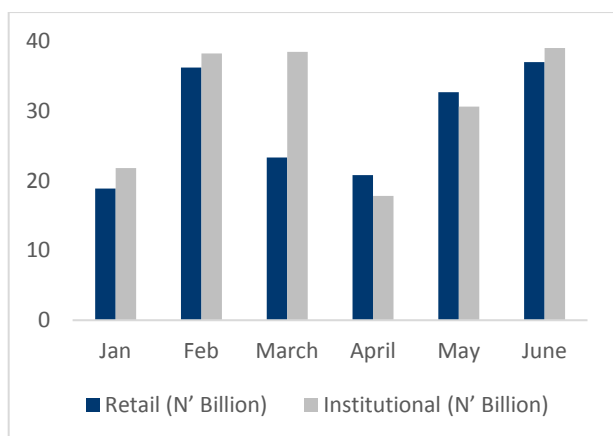


Fig 3 highlights the domestic composition of transactions on The Exchange between January and June 2016. The total domestic transactions increased by 20.11% from May to June 2016. The institutional composition of the domestic market increased by 27.37% from N30.65b in May to N39.04b. The retail composition increased by 13.31% from N32.69b in May to N37.04b in June. Institutional investors marginally outperformed their retail counterparts in the period under review.

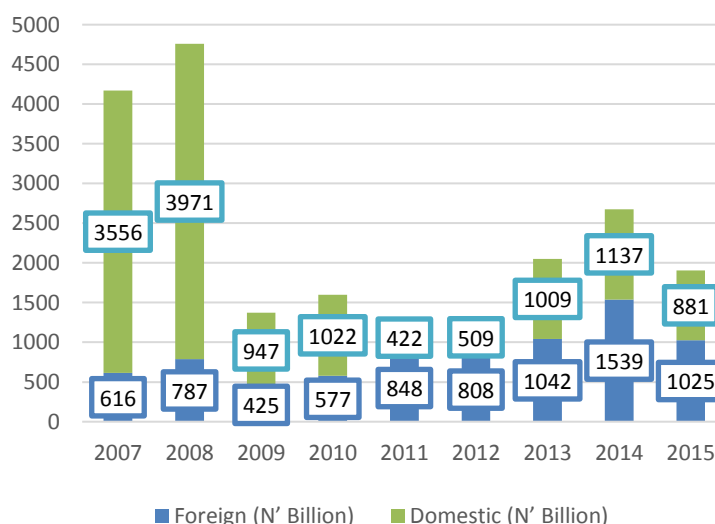
Fig 4 shows significant shift in FPI which outperformed domestic between 2011 and 2012.

In 2013, there was a major rebound in the domestic component which led to an almost equal split in foreign vs. domestic transactions.

This dropped in 2014 where FPI outperformed domestic transactions.

In 2015 FPI dropped compared to 2014. However, it slightly outperformed domestic transactions in the same period.

Foreign Domestic Trend 2007 - 2015



⁴ Information on the retail and institutional components of the total domestic transactions in June is based on data obtained from about 96% of Active Dealing Members of The Exchange.