



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – March 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 March 2016.

Table 1: Analysis of Transactions for the Period Ended 31 March 2016¹

All figures are in N' Billion

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
Mar 2015 ²	184.02	102.56	55.73%	81.46	44.27%	50.15	52.41	41.27	40.19
2016 YTD	297.68	120.59	40.51%	177.09	59.49%	43.35	77.24	78.47	98.62

Analysis

Note the increase in foreign inflow and decrease in foreign outflow compared to February 2016.

Domestic vs. Foreign 2016

Total transactions at the nation's bourse decreased by 17.87% from N117.27 billion recorded in February 2016 to N96.31 (about \$0.49 billion) in March 2016. In comparison to the same period in 2015, total transactions decreased by 47.66% from the N184.02 recorded in March 2015.

Domestic investors outperformed foreign investors by 28.48% as total FPI transactions decreased from 36.48% to 35.76% over the same period.

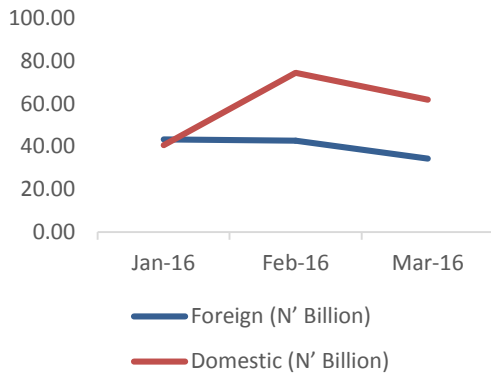
Monthly foreign outflows outpaced inflows which was consistent with the same period in 2015. Foreign outflows decreased by 40.20% from N31.84 billion in February 2016 to N19.04 billion while foreign inflows increased by 40.77% from N10.94 billion in February 2016 to N15.40 billion in March 2016.

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 February 2016 and March 2015 transactions are included for comparison to the March 2016 transactions.



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



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

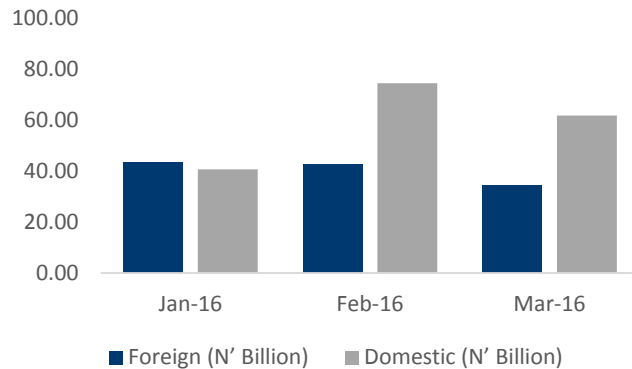


Fig 3: Retail vs. Institutional March 2016³

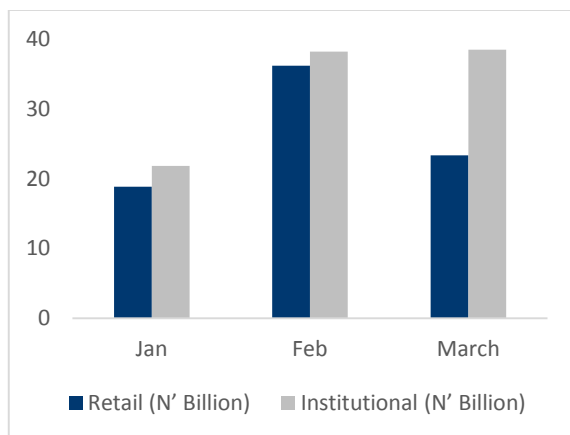


Fig 3 highlights the domestic composition of transactions on The Exchange between January and March 2016. The total domestic transaction decreased by 16.94% from February to March 2016. The institutional composition of the domestic market increased by 0.71% from N38.25b in February to N38.52b in March whilst the retail composition decreased by 35.57% from N36.24b in February to N23.35b in March 2016. This indicates that institutional investors slightly outperformed their retail counterparts in the period under review.

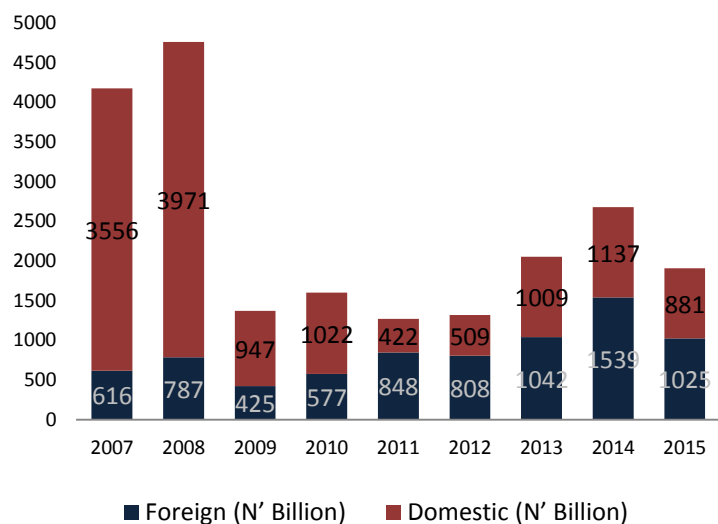
Fig 4 shows significant shift in FPI which outperformed domestic between 2011 and 2012.

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



³ Information on the retail and institutional components of the total domestic transactions in March is based on data obtained from about 98% of Active Dealing Members of The Exchange.