



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

Table 1: Analysis of Transactions for the Period Ended 31 May 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 |
| May 2015 ² | 145.45 | 79.77 | 54.84% | 65.68 | 45.16% | 38.00 | 41.77 | 28.29 | 37.39 |
| 2016 YTD | 468.56 | 189.45 | 40.43% | 279.11 | 59.57% | 78.83 | 110.62 | 131.99 | 147.12 |

Analysis

Note the significant increase in transactions compared to April 2016.

Domestic vs. Foreign 2016

Total transactions at the nation's bourse increased by 55.20% from N66.96 billion recorded in April 2016 to N103.92 billion (about \$0.53 billion) in May 2016. In comparison to the same period in 2015, total transactions decreased by 28.55% from the N145.45 billion recorded in May 2015.

Domestic investors outperformed their foreign counterparts by 21.90% as total FPI transactions increased by 43.49% from N28.28 billion in April to N40.58 billion in May 2016 compared to an increase of 63.75% from N38.68 billion in April to N63.34 billion in May 2016 recorded by Domestic investors.

Monthly foreign inflows slightly outpaced outflows as foreign inflows increased by 44.35% from N14.52 billion in April to N20.96 billion in May 2016 while foreign outflows increased by 42.59% from N13.76 billion to N19.62 billion within the same period.

In comparison to the same period in 2015, total FPI transactions decreased by 49.13%, whilst the total domestic transactions decreased by 3.56%.

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 April 2016 and May 2015 transactions are included for comparison to the May 2016 transactions.

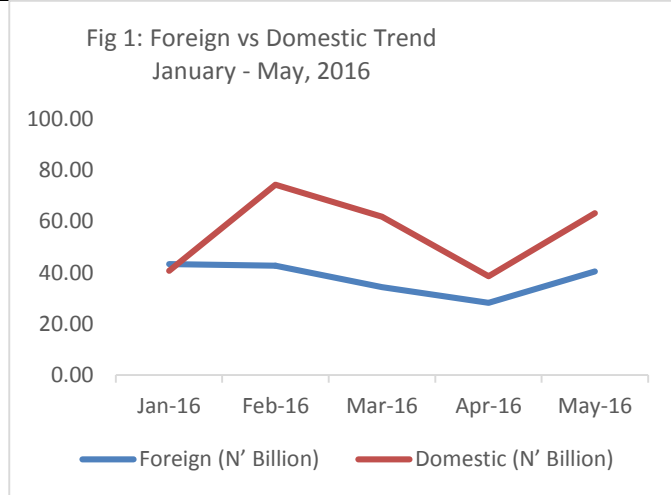
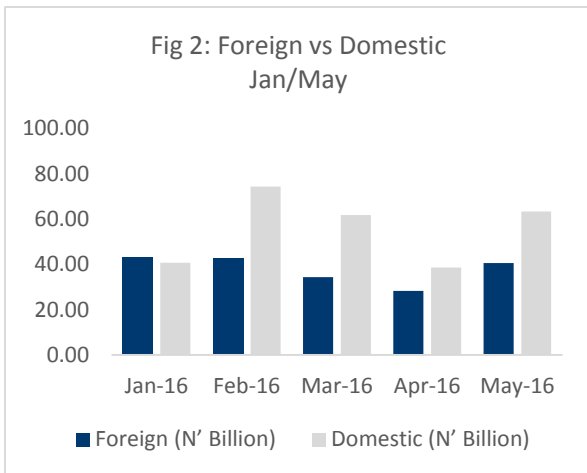


Fig 3: Retail vs. Institutional May 2016³

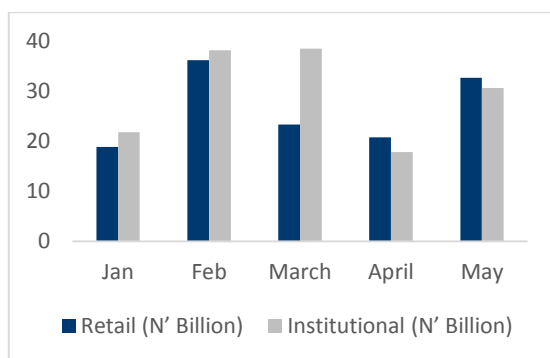


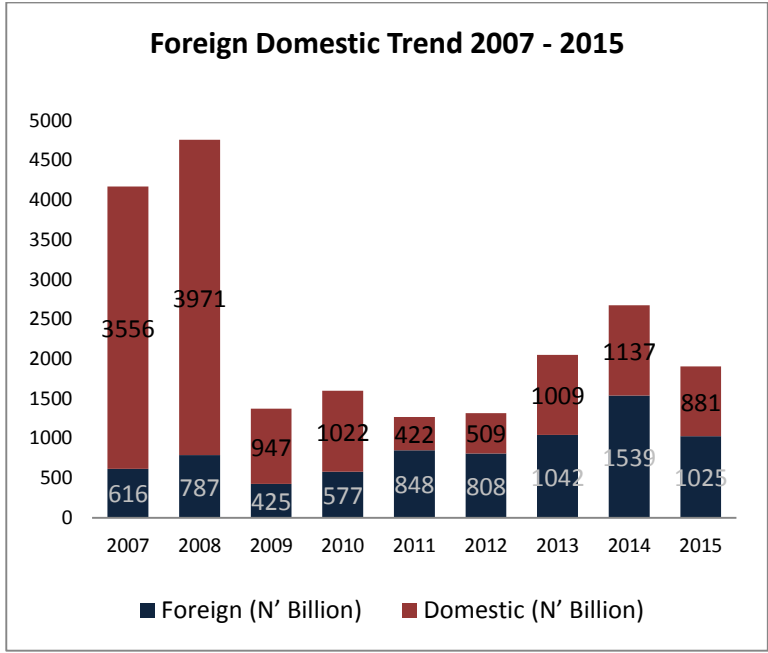
Fig 3 highlights the domestic composition of transactions on The Exchange between January and May 2016. The total domestic transactions increased by 63.75% from April to May 2016. The institutional composition of the domestic market increased by 71.71% from N17.85b in April to N30.65b in May whilst the retail composition increased by 56.94% from N20.83b in April to N32.69b in May 2016. Retail investors marginally outperformed their institutional counterparts by 3.22%.

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.



³ Information on the retail and institutional components of the total domestic transactions in May is based on data obtained from about 96% of Active Dealing Members of The Exchange.