



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING – April, 2014

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their foreign portfolio investments (FPI). The table below shows an analysis of transactions on The Exchange at the end of April 2014.

Table 1: Analysis of Transactions for the Period Ended 30 April 2014¹

Period	Total Transactions N' Billion	Total Foreign Inflow N' Billion	Total Foreign outflow N' Billion	Total Foreign transactions N' Billion	Total Domestic transactions N' Billion	Foreign %	Domestic %
Jan 2014	181.97	39.53	50.14	89.67	92.30	49.28%	50.72%
Feb 2014	198.70	32.75	103.53	136.28	62.42	68.59%	31.41%
Mar 2014	166.84	55.13	75.42	130.55	36.29	78.25%	21.75%
Apr 2014	184.43	65.06	73.73	138.79	45.64	75.25%	24.75%
Apr 2013 ²	190.70	68.35	54.62	122.97	67.73	64.48%	35.52%
2014 YTD	731.94	192.47	302.82	495.29	236.65	67.67%	32.33%

Analysis

Domestic vs. Foreign 2014

Investment flows through Foreign Portfolio Investors (FPI) at the nation's bourse have grown to N138.78 billion (about \$0.89 billion) in April 2014, up 54.8% from January 2014. Domestic investors ceded over 50% of trading to foreign investors as domestic transactions decreased significantly from 50.72% to 24.75% over the same period.

Total transactions increased by 1.35% from N181.97 billion in January to N184.43 billion in April and foreign portfolio investors' inflows accounted for 75.25% of total transactions.

In comparison to the same period in 2013, there was an increase in total FPI by 12.86%, whilst the total domestic transactions reduced by 32.61%. However, the FPI outflows outpaced inflows which were the reverse when compared to the same period in 2013. Overall, there was a 3.29% decrease in total transactions in comparison to the same period in 2013.

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 January to March 2014 and April 2013 transactions are included for comparison to the April 2014 transactions.

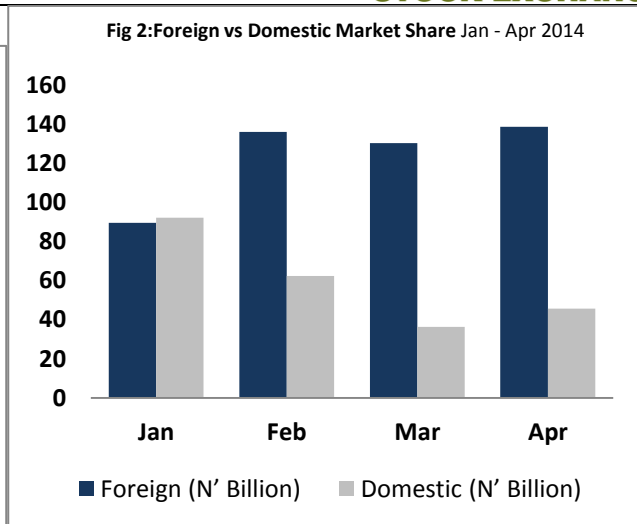
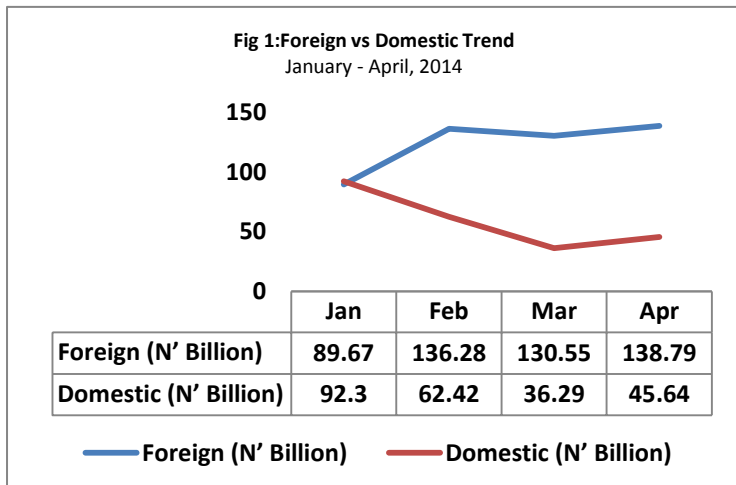
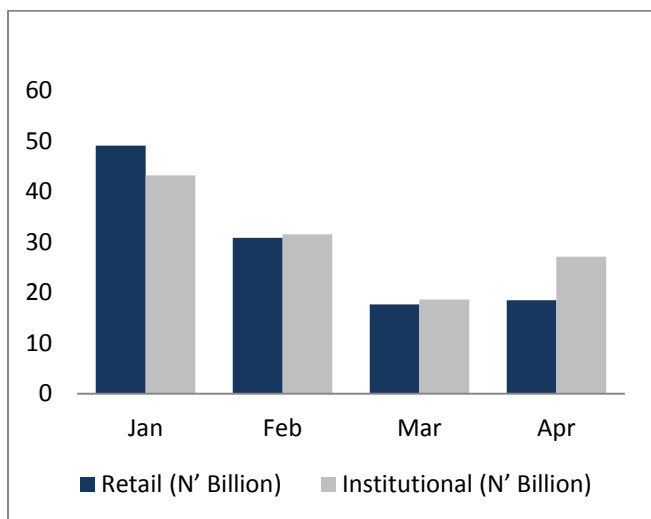


Fig 3 Retail vs. Institutional Apr 2014³

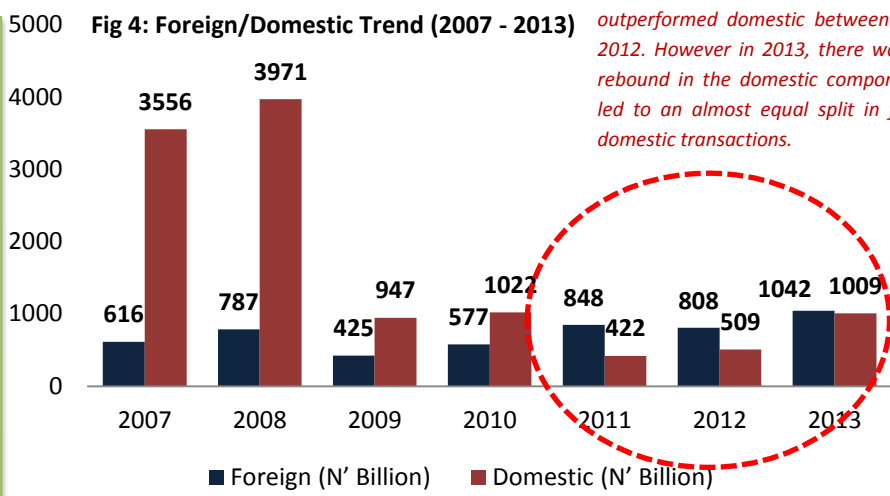


The graph in Fig 3 highlights the domestic composition of transactions on The Exchange between January and April, 2014. It illustrates that total domestic transactions decreased by 50.55% from January to April 2014. The institutional composition of the domestic market which was about 46.80% at the end of January increased to 59.38% at the end of April whilst the retail composition decreased from 53.20% to 40.62% in the same period.

Historical Trends – Foreign vs. Domestic

Total FPI transactions of N616bn which accounted for 14.8% of total transactions in 2007 consistently increased over the years to N1,042bn representing 50.8% of the total in 2013 (An increase of 36% over the 6 year period).

Domestic transactions on the other hand started at N3,556bn representing 85.2% in 2007 but reduced significantly to N1,009bn representing 49.2% of total transactions in 2013 (A sharp decline of 36% in the 6 year period).



Note the significant shift in FPI which outperformed domestic between 2011 and 2012. However in 2013, there was a major rebound in the domestic component which led to an almost equal split in foreign vs. domestic transactions.

³ Information on the retail and institutional components of the total domestic transactions in March is based on data obtained from about 88% of Active Dealing Members of The Exchange.