



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

Table 1: Analysis of Transactions for the Period Ended 31 March 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
2017 YTD ²	454.48	211.06	46.44%	243.42	53.56%	62.35	148.71	59.11	184.31
2016 YTD ³	297.68	120.59	40.51%	177.09	59.49%	43.35	77.24	78.47	98.62

Note the significant increase in total transactions in March compared to February 2017.

Analysis

Domestic vs. Foreign 2017

Total transactions at the nation's bourse increased significantly by 284.63% from ₦74.11 billion recorded in February 2017 to ₦285.05 billion (about \$0.93 billion)⁴ in March 2017. Also, the aggregate value of transactions from January to March increased by 52.67% from ₦297.68 billion recorded in 2016 to ₦454.48 billion in 2017.

In March 2017, domestic investors outperformed foreign investors by 7.02%. Domestic transactions increased by 285.49% from ₦39.57 billion recorded in February 2017 to ₦152.54 billion in March 2017. Foreign transactions also increased by 283.64% from ₦34.54 billion to ₦132.51 billion within the same period.

There was a major increase in foreign outflows from ₦18.44 billion in February 2017 to ₦108.87 billion in March 2017. Foreign inflows also increased by 46.83% from ₦16.10 billion in February 2017 to ₦23.64 billion in February 2017.

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).

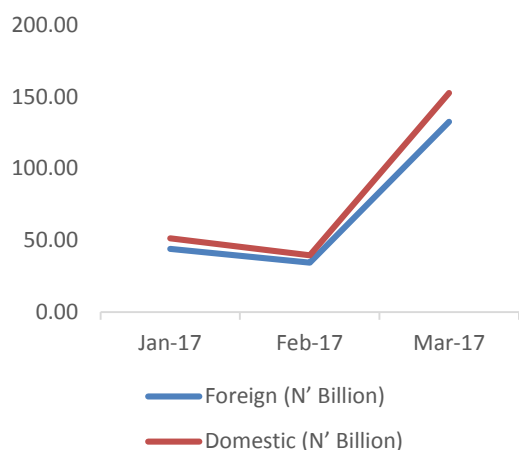
² 2017 YTD represents January to March 2017 transactions.

³ 2016 YTD represents January to March 2016 transactions.

⁴ The Exchange rate as at 31 March 2017 was ₦305.85



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



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

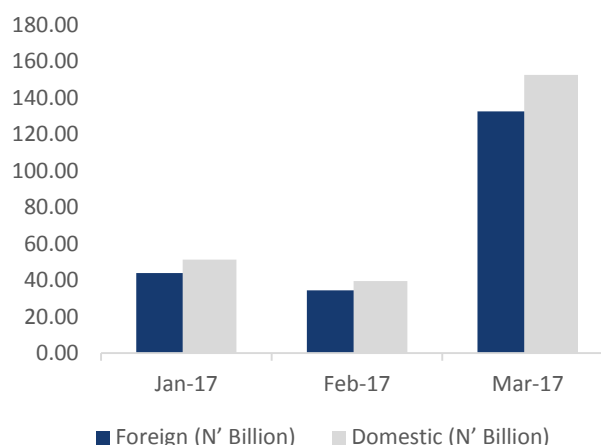


Fig 3: Retail vs. Institutional March 2017⁵

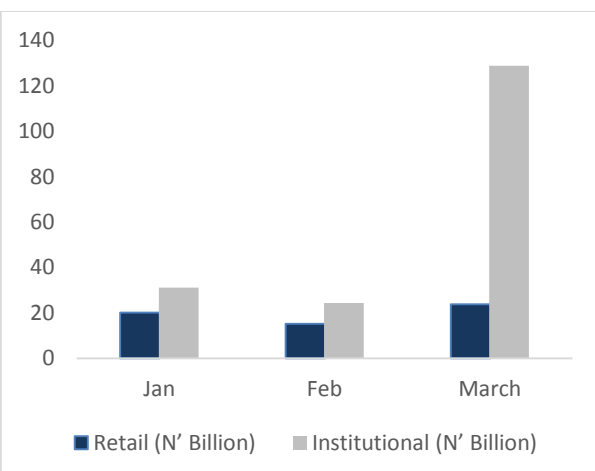


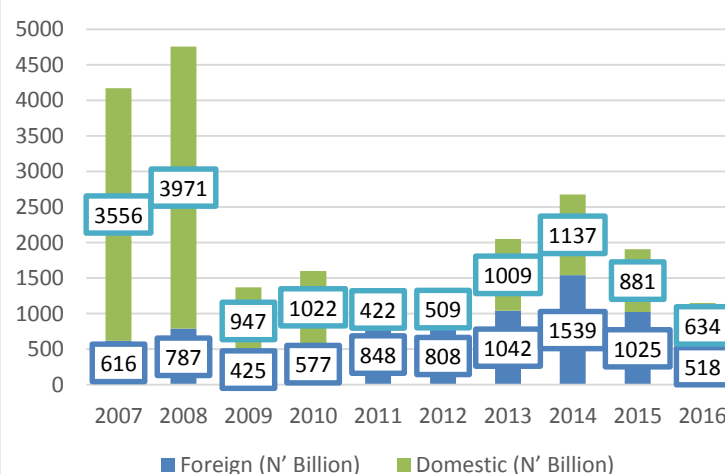
Fig 3 highlights the domestic composition of transactions on The Exchange between January and March 2017. The institutional composition of the domestic market increased significantly by 428.82% from ₦24.35 billion recorded in February to ₦128.77 billion in March 2017. The retail composition also increased by 56.17% from ₦15.22 billion to ₦23.77 billion within the same period. This indicates a significantly higher participation by institutional investors over their retail counterparts in the period under review.

Fig 4 reflects that since 2011, foreign transactions have consistently outperformed domestic transactions. However, domestic transactions slightly 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 circa 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 March is based on data obtained from about 96% of Active Dealing Members of The Exchange.