



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

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

All figures are in ₦ 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	79.76	51.18%	76.08	48.82%	42.46	37.30	37.04	39.04
July 2016	90.19	44.28	49.10%	45.91	50.90%	23.43	20.85	20.96	24.95
Aug 2016	117.71	56.06	47.62%	61.65	52.38%	34.70	21.36	23.39	38.26
Sept 2016	94.77	43.59	46.00%	51.18	54.00%	24.41	19.18	20.23	30.95
Oct 2016	64.03	31.24	48.79%	32.79	51.21%	18.67	12.57	13.32	19.47
Nov 2016	64.39	29.15	45.27%	35.24	54.73%	14.53	14.62	15.66	19.58
2015 YTD ²	1795.07	973.72	54.24%	821.35	45.76%	453.79	519.93	363.67	457.68
2016 YTD ³	1055.50	473.54	44.86%	581.96	55.14%	237.03	236.50	262.59	319.37

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

Analysis

Domestic vs. Foreign 2016

Total transactions at the nation's bourse slightly increased by 0.56% from ₦64.03 billion recorded in October 2016 to ₦64.39 billion (about \$0.21 billion)⁴ in November 2016. Also, total transactions from January to November 2016 decreased significantly by 41.20% from ₦1,795.07 billion recorded within the same period in 2015 to ₦1,055.50 billion in 2016.

FPI transactions have been on a downward trend from August 2016. In November 2016, domestic investors outperformed their foreign counterparts by about 9.46%. Domestic transactions increased by 7.47% from ₦32.79 billion in October 2016 to ₦35.24 billion in November 2016. FPI transactions decreased by 7.17% from ₦31.24 billion in October 2016 to ₦29.15 billion in November 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 2015 YTD represents January to November 2015 transactions.

³ 2016 YTD represents January to November 2016 transactions. 2015 YTD and 2016 YTD are included for transaction comparison.

⁴ The Exchange rate as at 30 November 2016 was ₦304.50.



Monthly foreign outflows outpaced inflows as foreign inflows decreased by 22.17% from ₦18.67 billion in October to ₦14.53 billion in November 2016. Foreign outflows increased by 16.31% from ₦12.57 billion to ₦14.62 billion within the same period.

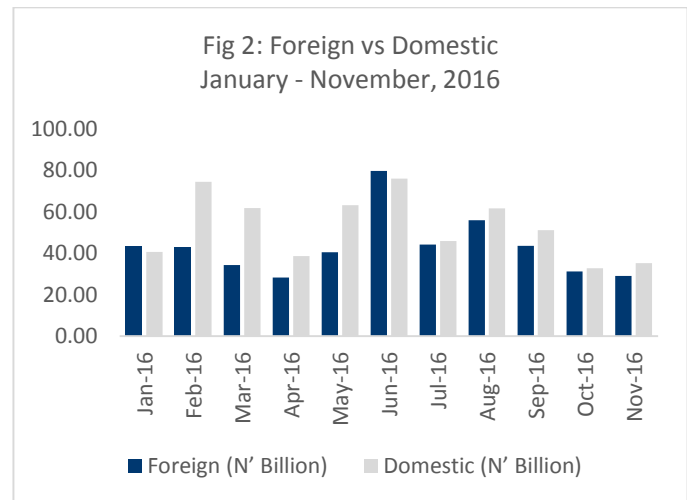
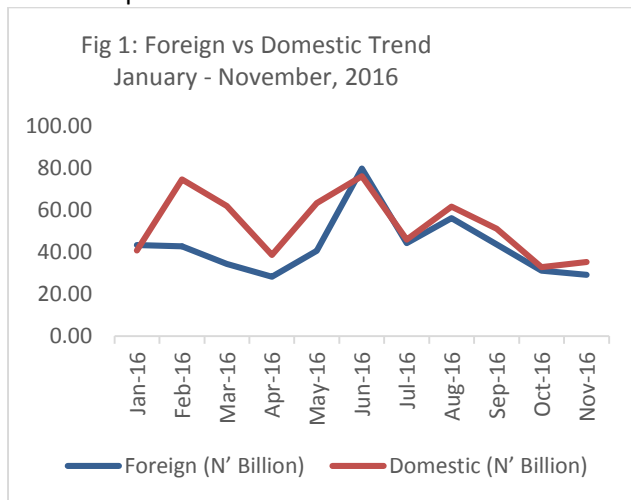


Fig 3: Retail vs. Institutional January - November 2016⁵

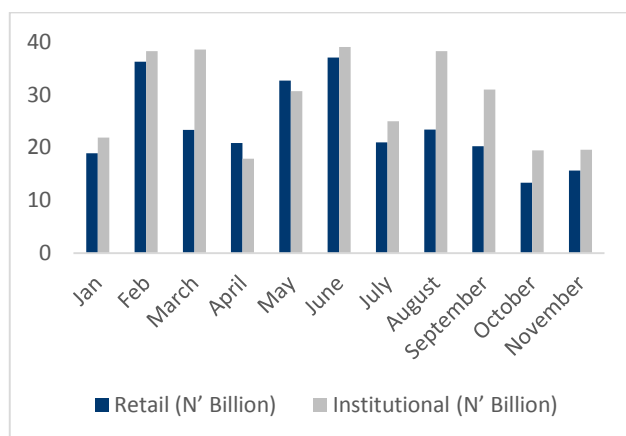


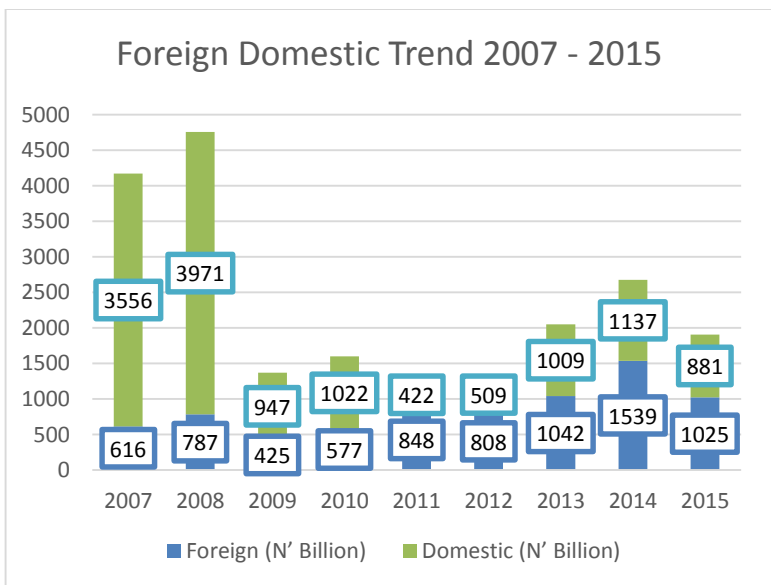
Fig 3 highlights the domestic composition of transactions on The Exchange between January and November 2016. The institutional composition of the domestic market increased by 0.56% from N19.47b in October to N19.58b in November. The retail composition also increased by 17.57% from N13.32b to N15.66b within the same period. Institutional investors have consistently outperformed their retail counterparts since June 2016.

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.



⁵ Information on the retail and institutional components of the total domestic transactions in October is based on data obtained from about 94% of Active Dealing Members of The Exchange.