



# **THE Nigerian STOCK EXCHANGE**

## **THE CAPITAL MARKET COMMITTEE (CMC)** *NSE CEO's Update*

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Presented by  
**Oscar N. Onyema, OON**

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1

- Q3'15 Briefing – Overview of Operating Environment

2

- NSE Market Statistics

3

- Global Competitive Report

## US: 2.6%

Continued recovery supported by lower energy prices, tame inflation, reduced fiscal drag and an improving housing market.

## EURO AREA: 1.5%

Moderate growth sustained by lower oil prices, monetary easing, and euro depreciation.

## SUB-SAHARAN AFRICA: 3.8%

Slow growth driven by declining commodity prices, lower demand from China and tightening global financial conditions.

## THE MIDDLE EAST & NORTH AFRICA: 2.5%

Moderate growth due to low oil prices, regional conflicts and social tensions.

## LATIN AMERICA & THE CARIBBEAN: -0.3%

Economic contraction due to deteriorating political conditions and tightened macroeconomic policy stance.

## ASIA & THE PACIFIC: 5.4%

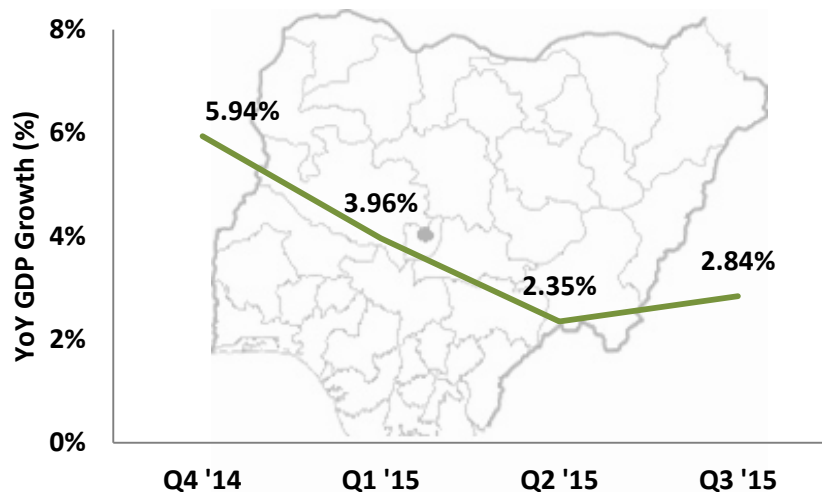
Growth influenced by lower world oil prices, strengthening external demand & accommodative financial conditions despite some recent tightening.

## Key Trends In The Global Economy\*

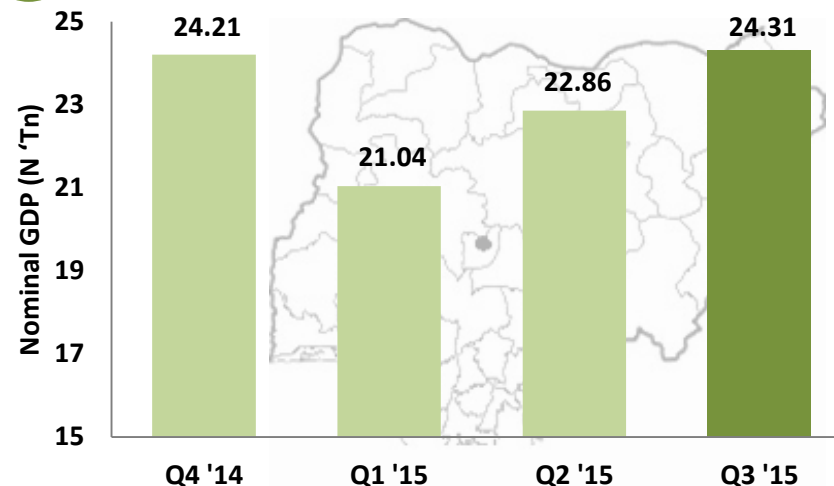
- Global growth for 2015 and 2016 forecasted at 3.1% and 3.6%, respectively. Despite China's significant monetary easing, the continued sagging of their economy and over \$4Tn stock market loss continue to fuel uncertainties.
- The recovery in advanced economies is expected to pick up slightly for the remaining part of 2015, while activity in emerging and developing economies is projected to slow down for a fifth consecutive year, as capital flow in emerging markets remains threatened by strengthening USD and higher US interest rates.
- In Sub-Saharan Africa, growth is expected to slow down to 3.8% in 2015, from 5.0% in 2014, with oil exporting nations like Nigeria and Angola being the major contributors to slowed growth.



## 1 Real GDP growth rate picks up



## 2 Moderate recovery in nominal GDP



### GDP growth threatened by macroeconomic challenges, particularly exchange-rate volatility and falling global oil prices

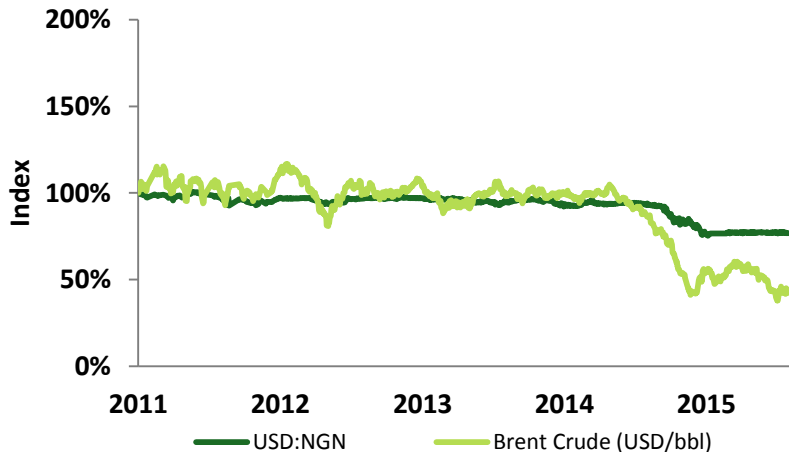
- Growth in real GDP increased slightly to 2.84% in Q3'15 over the the corresponding quarter in 2014, however the domestic economy is still lackluster fuelled by a lack of fiscal policy and low confidence in monetary policy.
- Q3'15 nominal GDP (N24.31Tn) slightly higher than Q1'15 and Q2'15 figures, but flat when compared to Q4'14 estimates. FY'15 forecasted to dip by 8.57% to N77.06Tn from FY'14.
- Impact of reduced government spending is evident in the manufacturing and construction sectors; growth in the services and agricultural sectors continue to insulate the real economy.
- FBN Purchasing Managers' Index (PMI) shed 2.8 points from 55.93 in Q1'15 to 53.13 in Q2'15, mirroring the subdued performance of the global manufacturing sector during the quarter, in line with global trends.



## 1 Facts and Figures

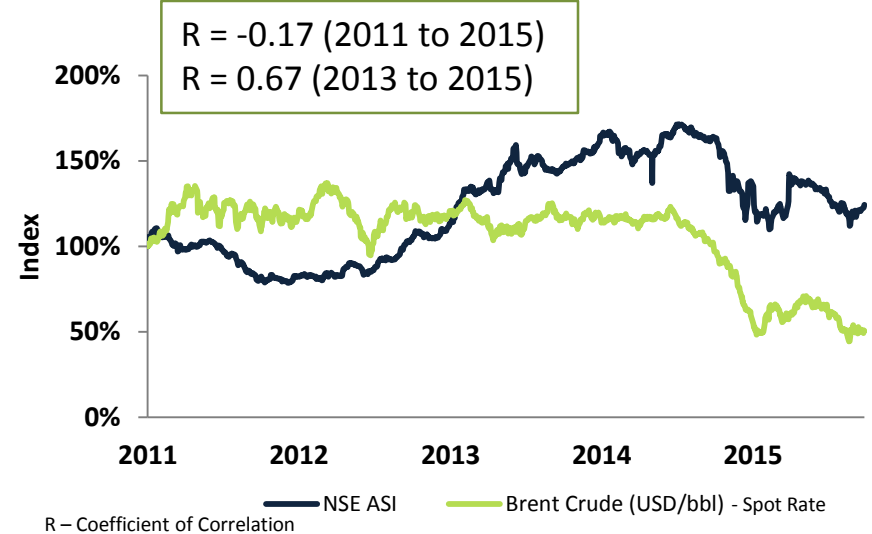
- Bonny Light has fallen from as high as \$115/bbl in Jun'14 to approx. \$42/bbl (Nov'15).
- External reserves down to \$29Bn (Nov'15) from \$38Bn in Jun'14.
- Mar'16 Brent futures rate of \$48.08 (\$47.91 - Nov'15).
- OPEC has projected \$10tn oil-related investments by 2040 to meet demand increase. However, the full impact of OPEC's strategy to defend the cartel's market share remains unclear (i.e. 41.8% market share in 2014 vs. 43.4% in 2013).

## 3 Plummeting NGN Mimics Falling Crude prices

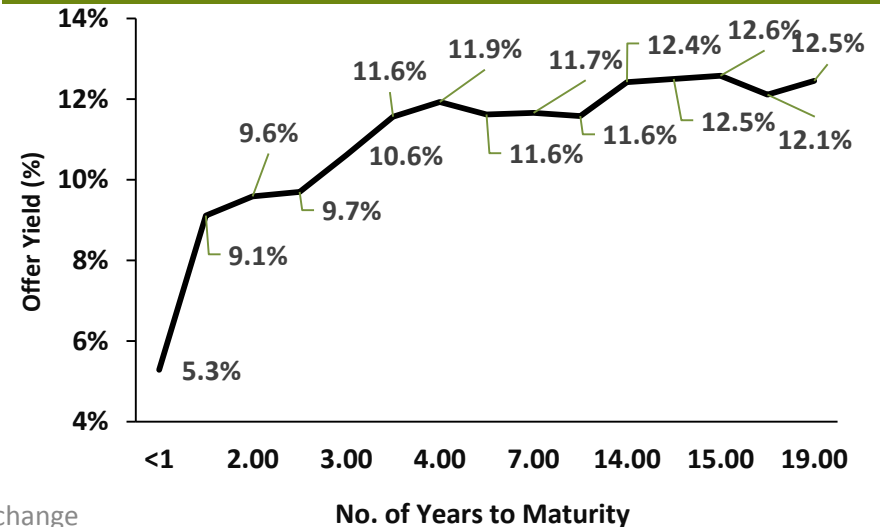


November-2015

## 2 All-Share Index Increasing Correlated w/ Oil Prices



## 4 FGN Indicative Yield Curve\*

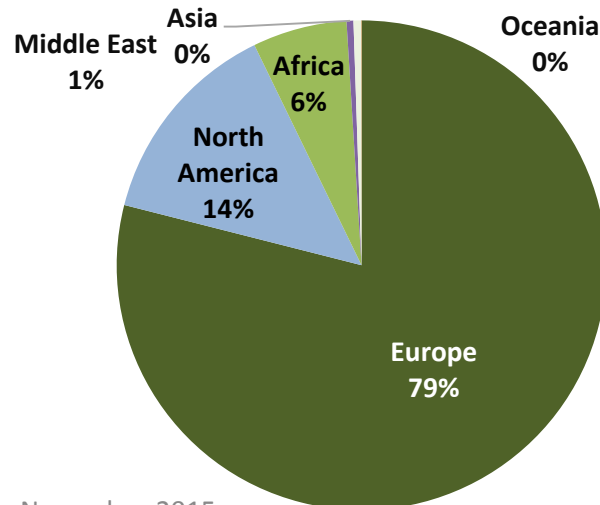


\*FMDQ as at 13/11/15

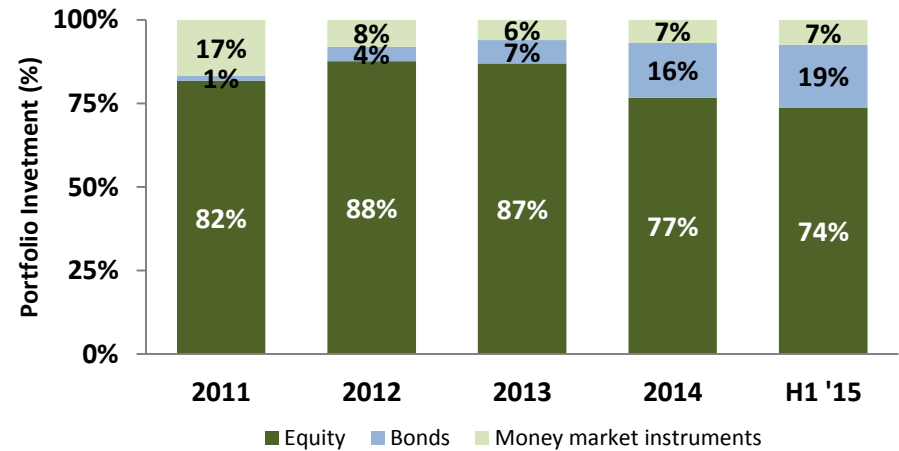
## 1 Facts and Figures

- Foreign Portfolio Investment (FPI) remains the largest type of capital importation to Nigeria (76%) equating \$4.0Bn in H1'15.
- Equity FPI, makes up a significant portion of total PI amounting to 74% in H1'15, while bonds and money markets stood at 19% and 7% respectively.
- Fixed income FPI increased steadily following Nigeria's inclusion in the JP Morgan Govt. Bond Index in Oct'12.

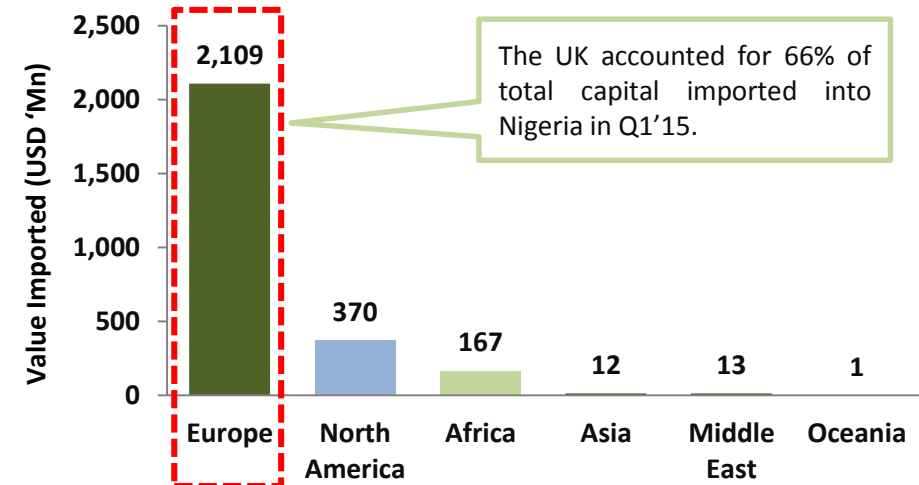
## 3 Total Capital Importation By Region – Q1'15 (%)



## 2 Nigeria Foreign Portfolio Investments Type



## 4 Total Capital Importation By Region – Q1'15 (Value)



1

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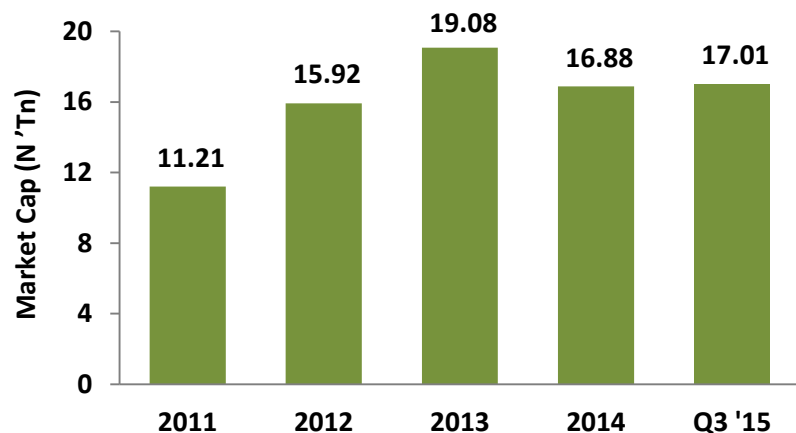
- NSE Market Statistics

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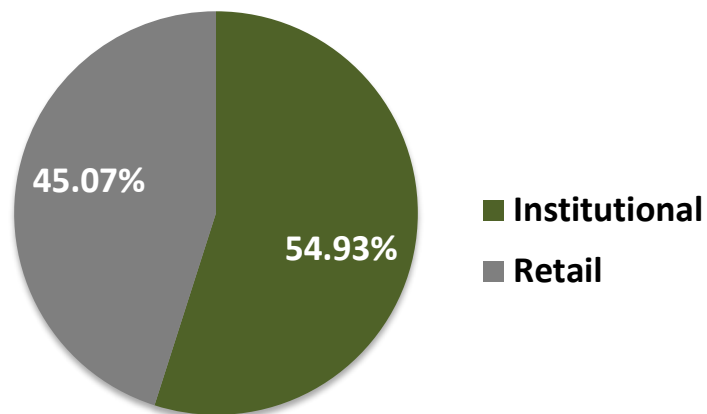
- Global Competitive Report



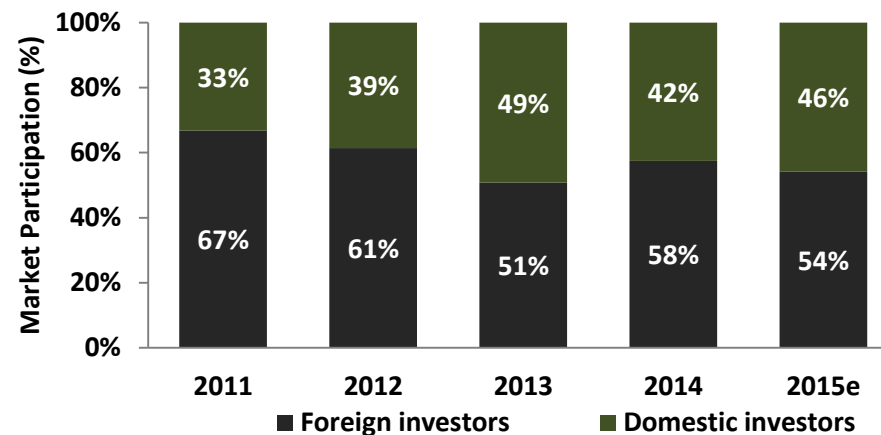
## 1 NSE Total Market Capitalization



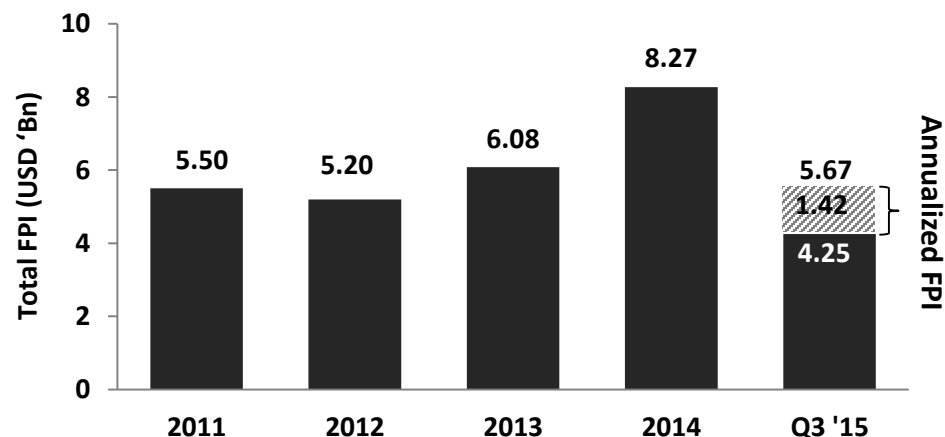
## 3 Domestic Investor Base: Retail vs. Institutional (Equity)



## 2 Market Activity – Domestic vs. Foreign (Equity)



## 4 Total Foreign Portfolio Flow (Equity)\*

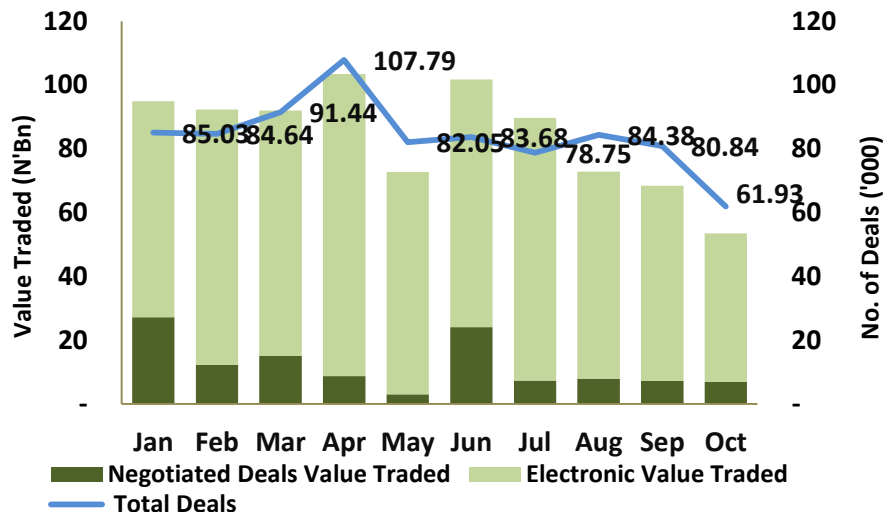


\*As estimated by the NSE. Total Flow = Total Inflows + Total Outflows

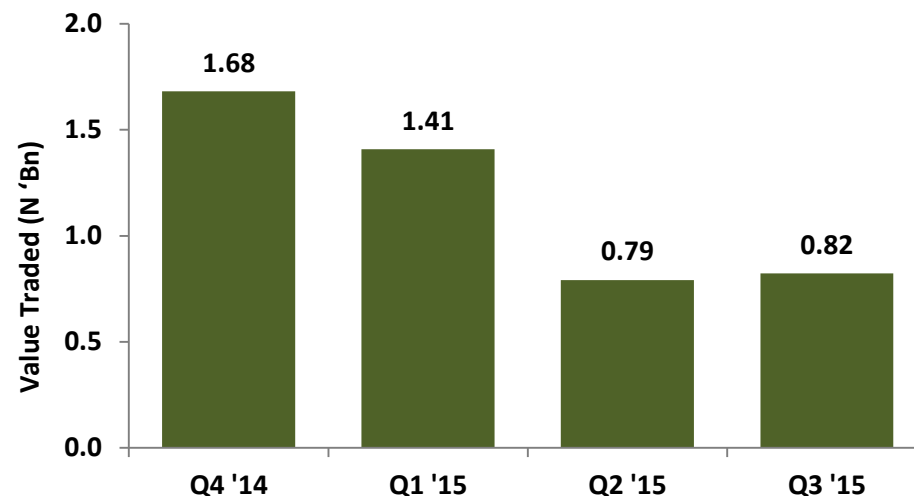




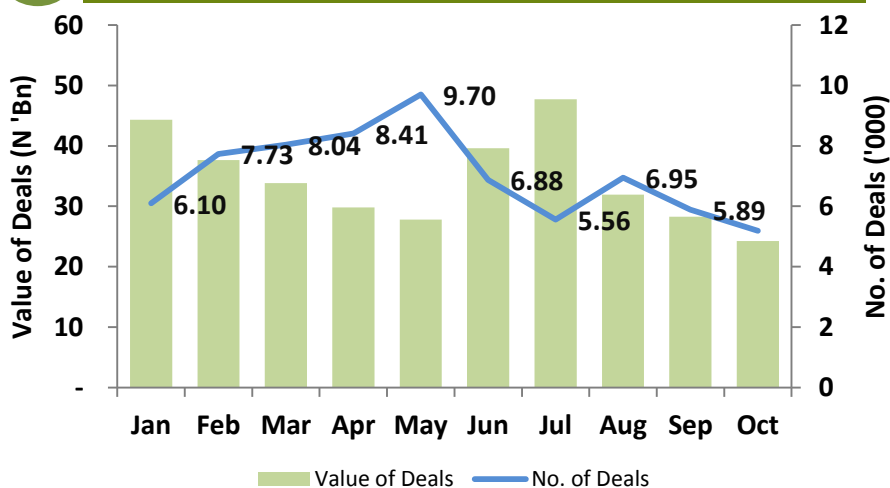
## 1 Value Traded and No. of Deals



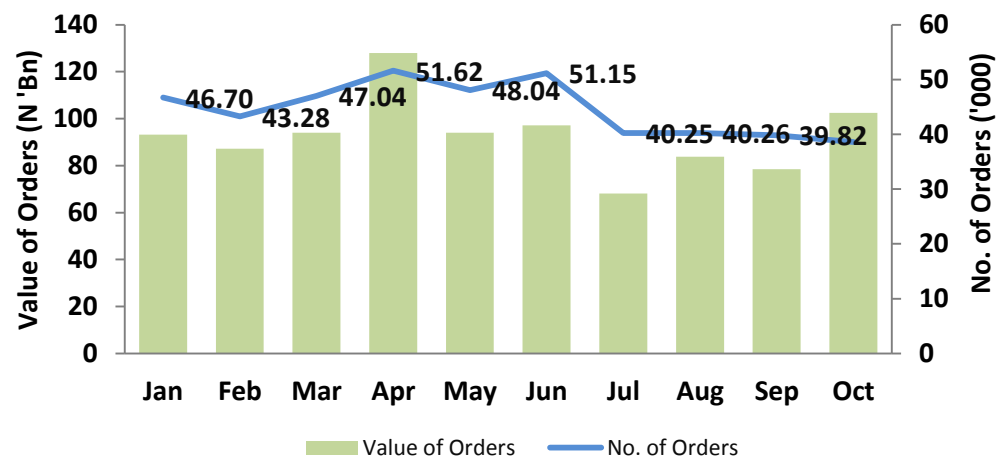
## 2 Market Maker Trades



## 3 Cross Deals



## 4 Unmatched Orders

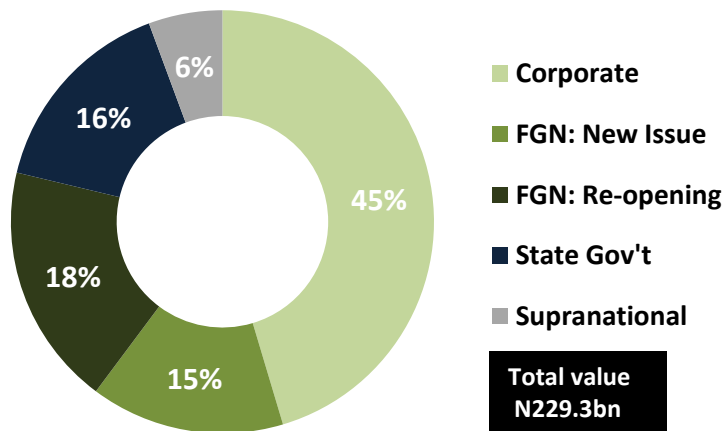




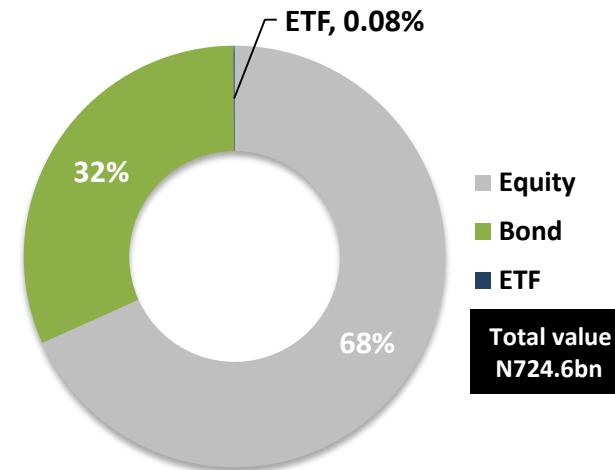
## 1 Facts and Figures

- New equity issues in 2015 totaled N494.7Bn as at October.
- Transcorp Hotels Plc. issued 2015's only IPO, while M&A's comprised the majority of activity.
- There were 3 new ETF listings in October 2015, with a total value of N545.6Mn.
- Corporates took to the debt market to raise a total of N104.0Bn in 6 new listings; majority from financial services sector.
- The FGN and State Gov'ts raised N76.5Bn and N35.8Bn in debt capital, respectively.

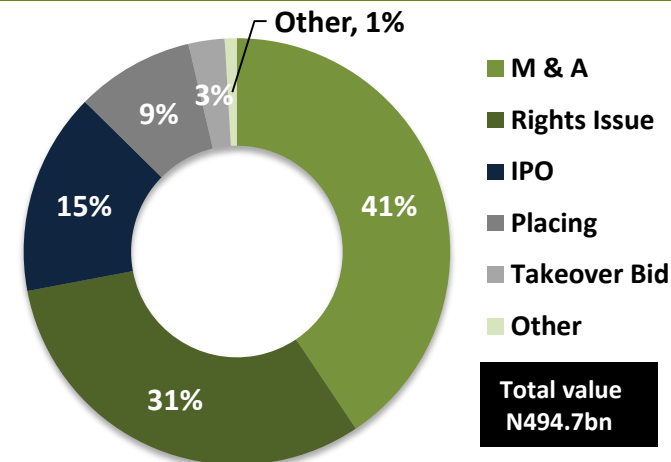
## 3 Bond Listings by Issuer



## 2 New Listings by Asset Class (By value)



## 4 New Equity Listings by Method of Issue



1

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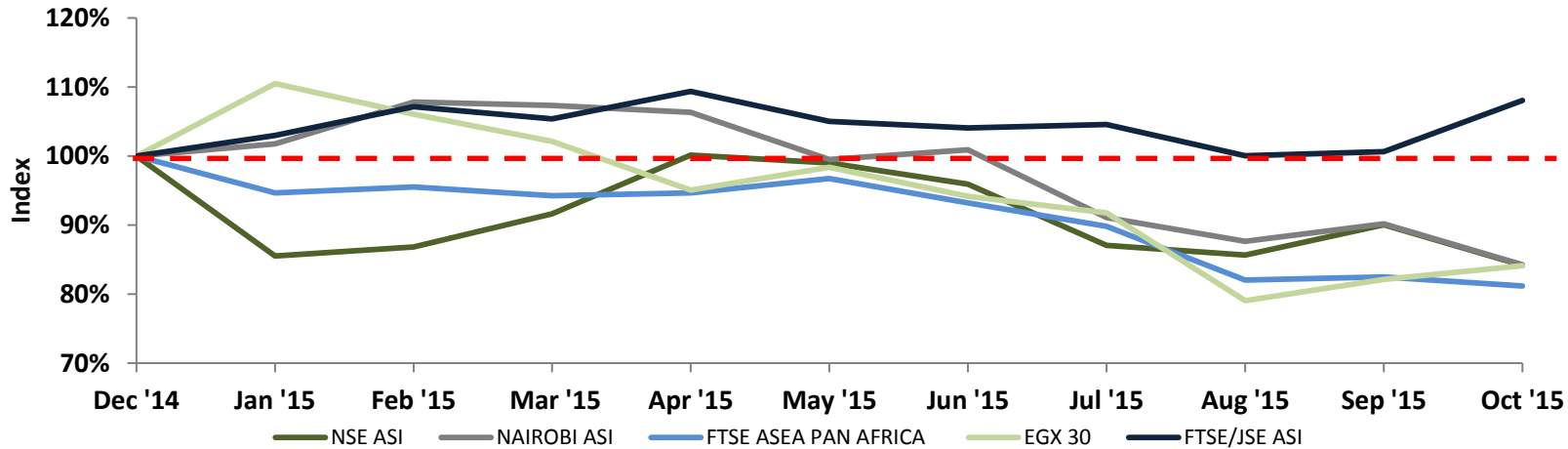
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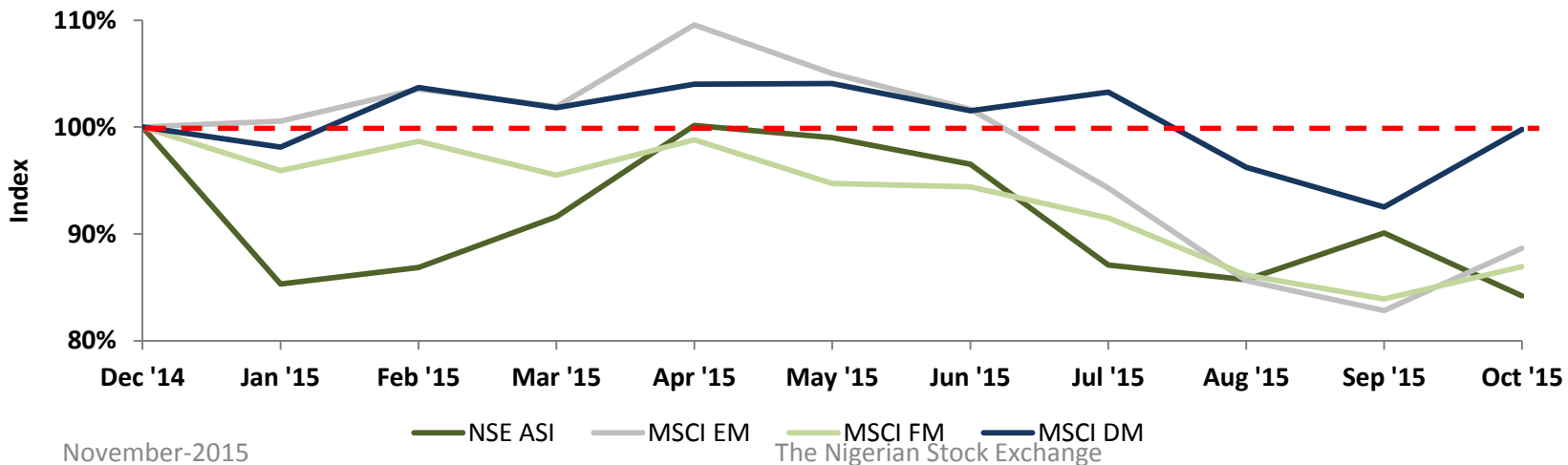
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## 1 Regional Index Performance – Comparable African Indices

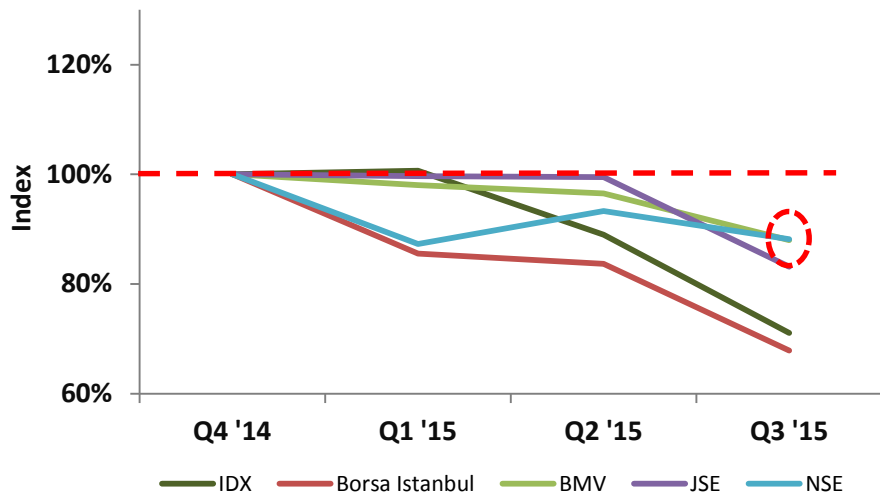


## 2 Global Index Performance – Developed, Emerging and Frontier Market Indices

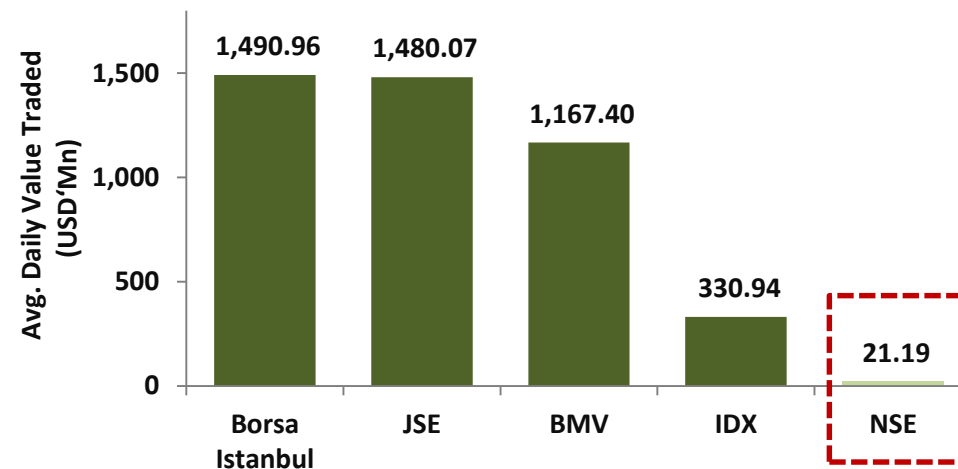




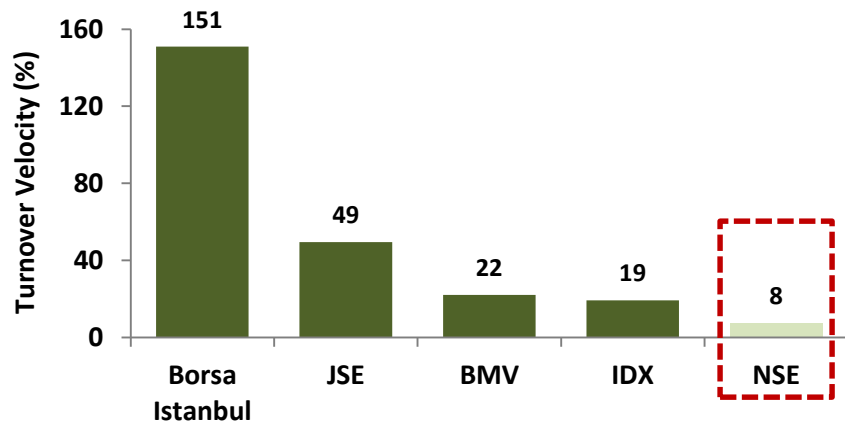
## 1 Market Capitalization



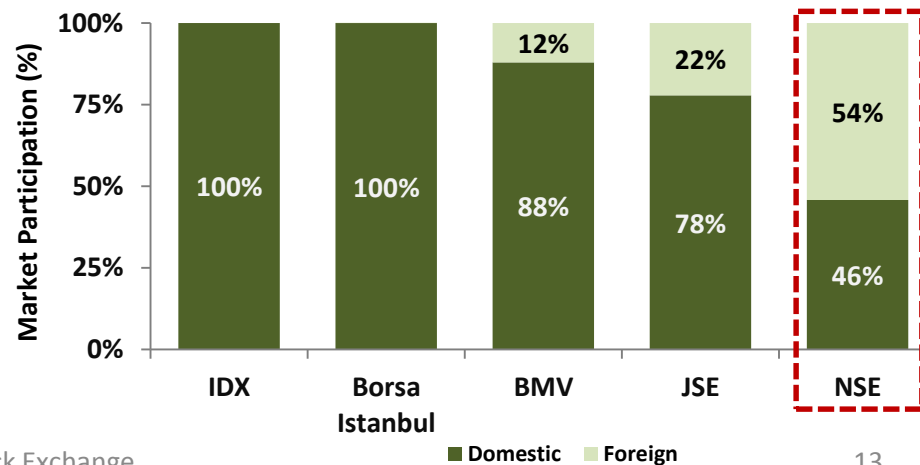
## 2 Average Daily Value Traded



## 3 Turnover Velocity (Annualized)



## 4 Market Activity – Domestic Vs. Foreign





## 1 Equity Listings

Listings	LSE	JSE	EGX	NSE
Equity Listings in 2015*	118	9	11	21
Value of 2015 Equity Listings* (USD'Mn)	67,979	12,672	N/A	2,504
IPOs in 2015**	74	N/A	N/A	1
Value of 2015 IPOs** (USD'Mn)	37,260	N/A	N/A	385
Number of Listed ETFs	839	46	1	7
New ETF Listings in 2015	130	N/A	1	3
Value of 2015 ETF Listings (USD'Mn)	N/A	N/A	N/A	2.8

\*Includes listing by IPOs, rights issue, placing, M&A, takeover bid, listing of underwriting commitment shares, employee share plan, memorandum listing, conversion of preference shares to ordinary shares, re-admission, introduction, waiver of pre-emptive rights.

\*\*Includes international offerings, offer for subscription, placing and placing & offer for subscription.  
GBP/USD = 1.54, USD/RAND = 13.85, USD/NGN = 197.52



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