



THE Nigerian STOCK EXCHANGE

CAPITAL MARKET UPDATE *of the Nigerian Stock Exchange*

Presented by

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CEO, Nigerian Stock Exchange

Capital Market Committee (CMC) Meeting

April 2018

1

- NSE Market Performance

2

- NSE Market Snapshot

3

- Strategy Execution in 2017

4

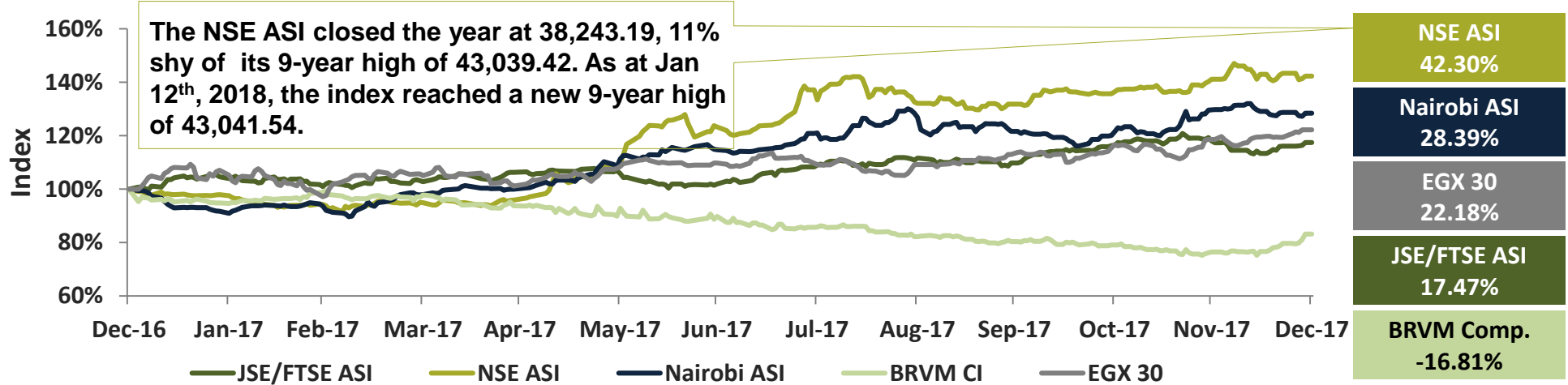
- NSE 2018 Initiatives Update

Benchmarking Market Performance

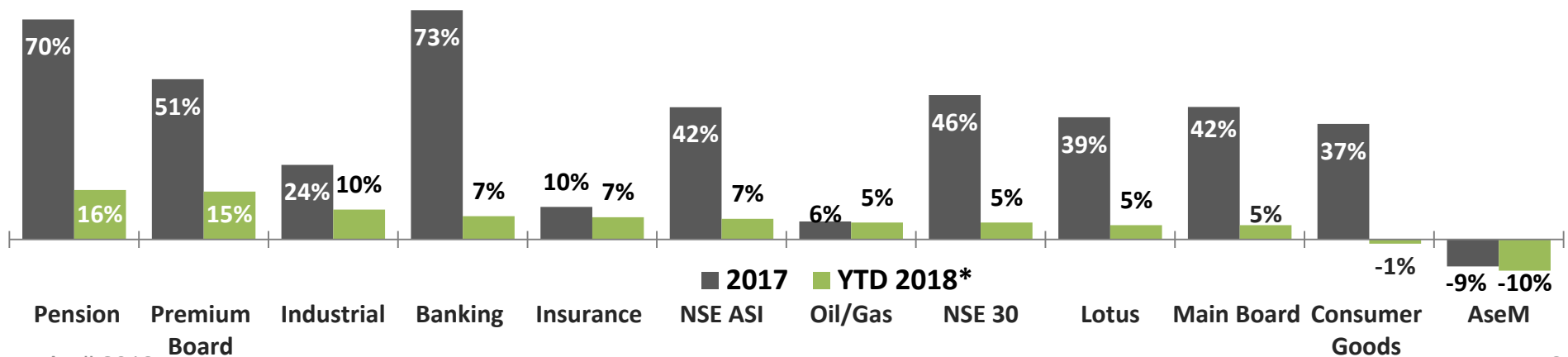


Following the recovery, the Nigerian capital market emerged the star of SSA markets and one of the top three best performing markets of 2017 globally¹.

1 NO. 1 BENCHMARK INDEX IN AFRICA



2 NSE SECTORIAL INDICES PERFORMANCE



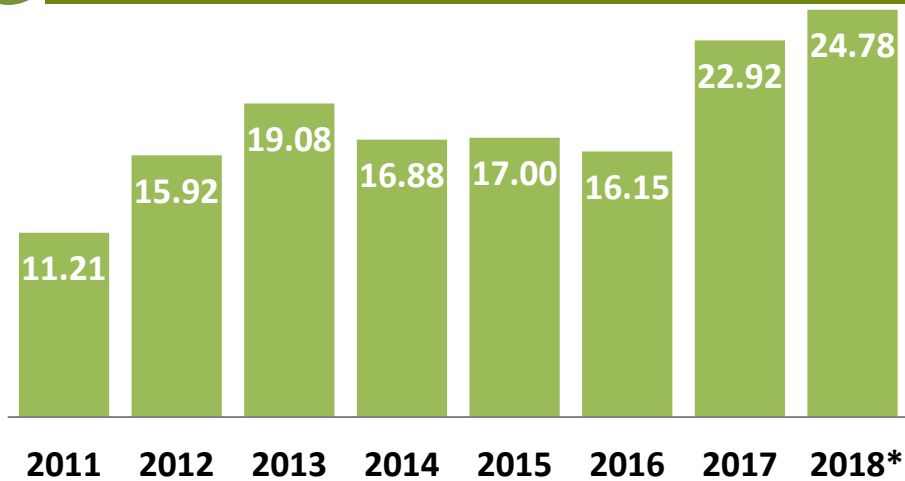
April 2018

¹Source: CNN

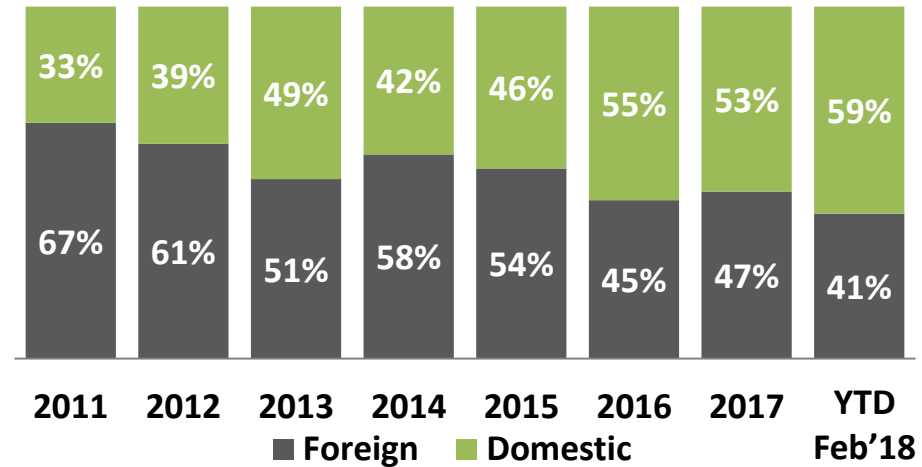
*YTD 2018 – As at April 18, 2018



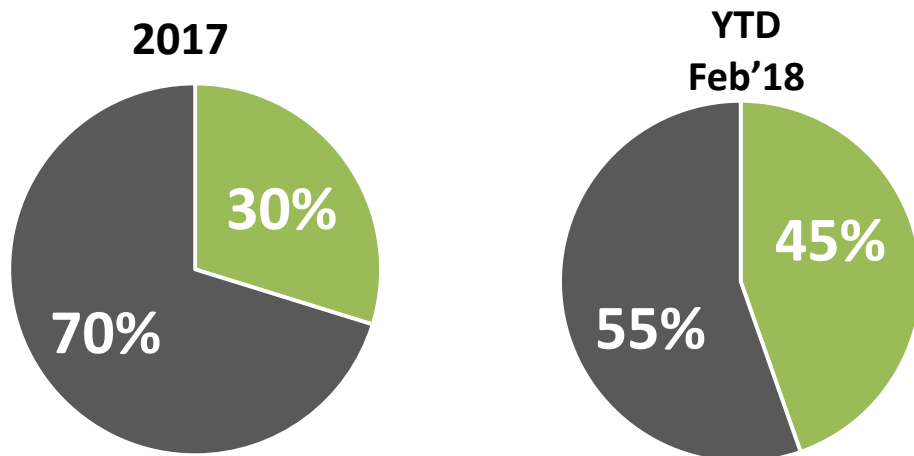
1 NSE TOTAL MARKET CAPITALIZATION (N'Trn)



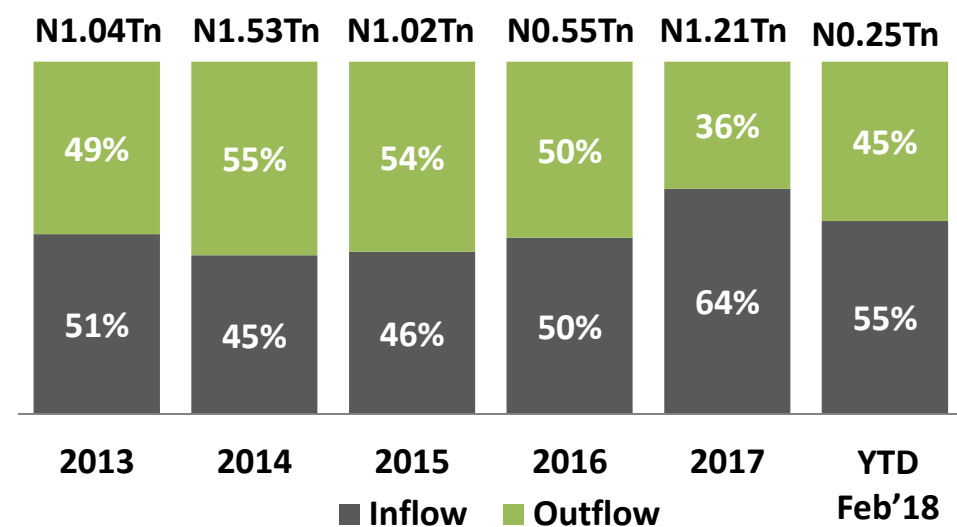
2 EQUITY VALUE TRADED: DOMESTIC VS. FOREIGN



3 DOMESTIC INVESTOR ACTIVITY



4 TOTAL FOREIGN PORTFOLIO FLOW (EQUITY)





The NSE made steady progress in executing its Strategy, reaching key milestones during the year.

Market Development

- ✓ **Demutualization:** Secured approval for demutualization from The Exchange's members and successfully progressed the Demutualization Bill through the reading and public hearing stages of the Law making process.
- ✓ **X-Academy:** Delivered eight (8) programs to 1,279 participants since its launched in June 2017.
- ✓ **Competitive Pricing Structure:** Continued phased implementation of SEC/ NSE pricing recommendations.
- ✓ **Capacity-building events:** Hosted REITs, Green Bond, Derivatives conferences; Market Data Workshop.
- ✓ **Stakeholder engagement:** Engaged key stakeholders to promote market-friendly policies.

Business Development

- ✓ **Derivatives:** (i) Completed draft rules; (ii) developed product specifications; (iii) held market-wide trainings and (iv) enhanced legal and regulatory frameworks for derivative instruments.
- ✓ **Product Launches:** Collaborated with the DMO/FGN to launch the FGN Savings Bond and built an enhanced mutual fund distribution platform.
- ✓ **Strategic Partnerships:** Signed a MoU with the Casablanca Stock Exchange (CSE) to promote market integration, new listings and exchange of information.
- ✓ **MSCI Partnership:** Progressed development of NSE/MSCI co-branded indices.

Investor Protection

- ✓ **Corporate Governance Rating System (CGRS):** Rolled out CGRS to all listed companies. Q1'18 announcement.
- ✓ **Data Centre Upgrade:** Completed a new Tier III designed Data Center.
- ✓ **E-Dividend Drive:** Supported investors to process unclaimed dividends in collaboration with SEC.
- ✓ **Investor Protection Fund:** Paid out substantiated claims pursuant to the NSE IPF rules.

Corporate Citizenship

- ✓ **Sustainability:** Submitted draft Sustainability Disclosure Guidelines for all listed companies to the SEC.
- ✓ **Education Intervention Programs:** Built and donated the Maisandari Alamderi Model Nursery and Primary School to help Internally Displaced Persons (IDPs) in Borno state.
- ✓ **Financial Literacy Tour:** Reached 57,666 beneficiaries (13,520 students) through 175 programs.
- ✓ **Corporate Challenge:** Raised N44.65Mn for mobile cancer units in the fourth edition of the program.



Updates for Q1' 2018

- Derivatives
 - Rulebook approved; Sensitization and training of market participants;
- Engagement on new listings
 - FGN Green Bond, Sukuk, Diaspora Bond; more in view
- Growth Board
 - Draft rules in progress
- Memorandum listing platform
 - User acceptance testing (UAT) in Feb 2018
- Restructuring Initiatives
 - Market Microstructure
 - Par Value Rule
 - Market making program
 - REITs
- Corporate Governance Rating System (CGRS)
 - Certification Ceremony in Feb 2018 for 35 companies and 437 directors

Focus for FY'18

- Continuing work on:
 - Demutualization
 - Derivatives
 - Monetizing our market services
 - NSE co-branded indices
 - Engagement on new listings
 - Order flow engagements

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For more information on this presentation, please contact Okon Onuntuei, Head of Strategy & Research at oonuntuei@nse.com.ng or Joel Nyatse, Strategic Analyst at jnyatse@nse.com.ng



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