



**THE Nigerian
STOCK EXCHANGE**

The Nigerian Stock Exchange's Domestic & Foreign Portfolio Investment Report

July 2020



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 JULY 2020¹

Period	Total	Foreign N'Billion	Foreign %	Domestic N'Billion	Domestic %	Foreign Inflow N'Billion	Foreign outflow N'Billion	Domestic Retail N'Billion	Domestic Institutional N'Billion
Jan-20	235.46	70.31	29.86%	165.14	70.14%	23.81	46.5	81.67	83.47
Feb-20	148.50	71.34	48.04%	77.16	51.96%	18.97	52.37	29.56	47.6
Mar-20	242.91	110.22	45.37%	132.69	54.63%	22.49	87.73	60.23	72.46
Apr-20	128.67	53.18	41.33%	75.49	58.67%	20.98	32.20	40.42	35.07
May-20	119.15	35.24	29.58%	83.91	70.42%	18.43	16.81	42.19	41.72
Jun-20	128.88	56.34	43.72%	72.54	56.28%	25.27	31.07	32.34	40.20
Jul-20	103.21	34.59	33.51%	68.62	66.49%	13.70	20.89	32.54	36.08
2020 YTD ²	1106.78	431.22	38.96%	675.55	61.04%	143.65	287.57	318.95	356.60
2019 YTD ³	1201.02	530.57	44.18%	670.45	55.82%	243.35	287.22	355.15	315.29

Note the decrease in the value of total, foreign and domestic transactions between June and July 2020.

On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)⁴ flows. As at 31 July 2020, total transactions at the nation's bourse decreased by **19.92% from ₦128.88billion (about \$333.25million) in June 2020⁵ to ₦103.21billion (about \$265.55million) in July 2020⁶**. The performance of the current month when compared to the performance in July 2019 (**₦113.47billion**) revealed that total transactions decreased by **9.04%**. In July 2020, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **32%** as shown in figure 1 below.

ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (JULY'20)

Figure 1: Domestic vs. Foreign Participation

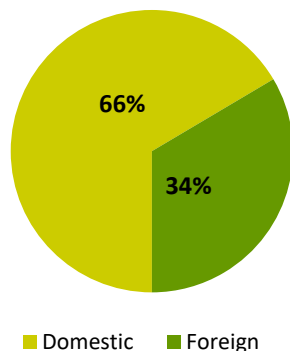


Figure 2: Inflow (N'Bn)

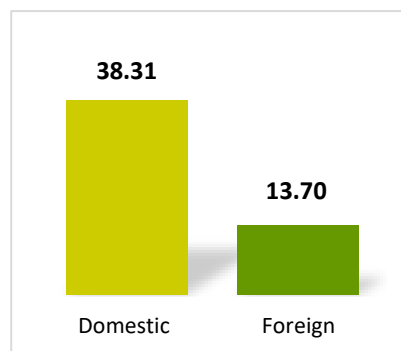
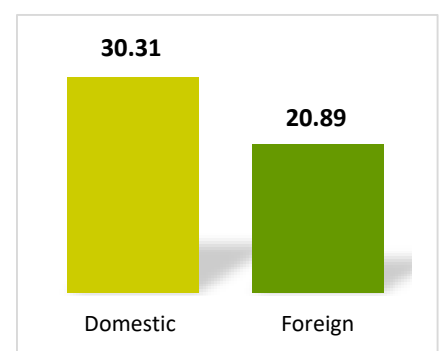


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (June 2020) revealed that total domestic transactions decreased by **5.40%** from **₦72.54billion** in June to **₦68.62billion** in July 2020. However, total foreign transactions declined sharply by **38.60% from ₦56.34 billion (about \$90.89million) to ₦34.59 billion (about \$89.00million)** between June and July 2020.

¹ Information on the retail and institutional components of the total domestic transactions in July 2020 is based on data obtained from the monthly stockbroking transaction report of about 99% of the Active Dealing Members of The Exchange.

² 2020 Year to Date (YTD) represents January to July 2020 Transactions.

³ 2019 Year to Date (YTD) represents January to July 2019 Transactions.

⁴ 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).

⁵ The Exchange rate as at 30 June 2020 was **₦386.75 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing)**.

⁶ The Exchange rate as at 29 July 2020 was **₦388.68 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing)**.

ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by 6%. A comparison of domestic transactions in the current and prior month (June 2020) revealed that retail transactions increased marginally by 0.62% from ₦32.34 billion in June 2020 to ₦32.54 billion in July 2020. Whilst the institutional composition of the domestic market decreased by 10.25% from ₦40.20 billion in June 2020 to ₦36.08 billion in July 2020.

Figure 4: Retail vs. Institutional

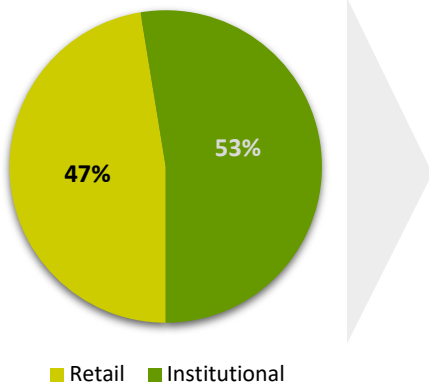


Figure 5: Inflow (N'Bn)

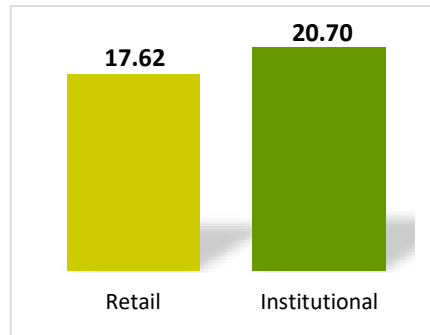
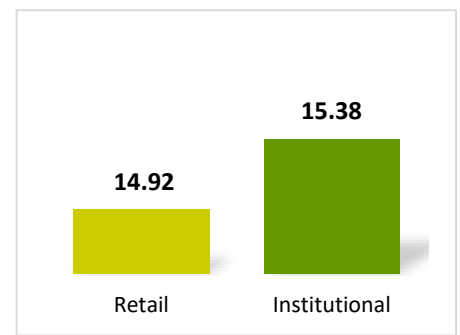


Figure 6: Outflow (N'Bn)



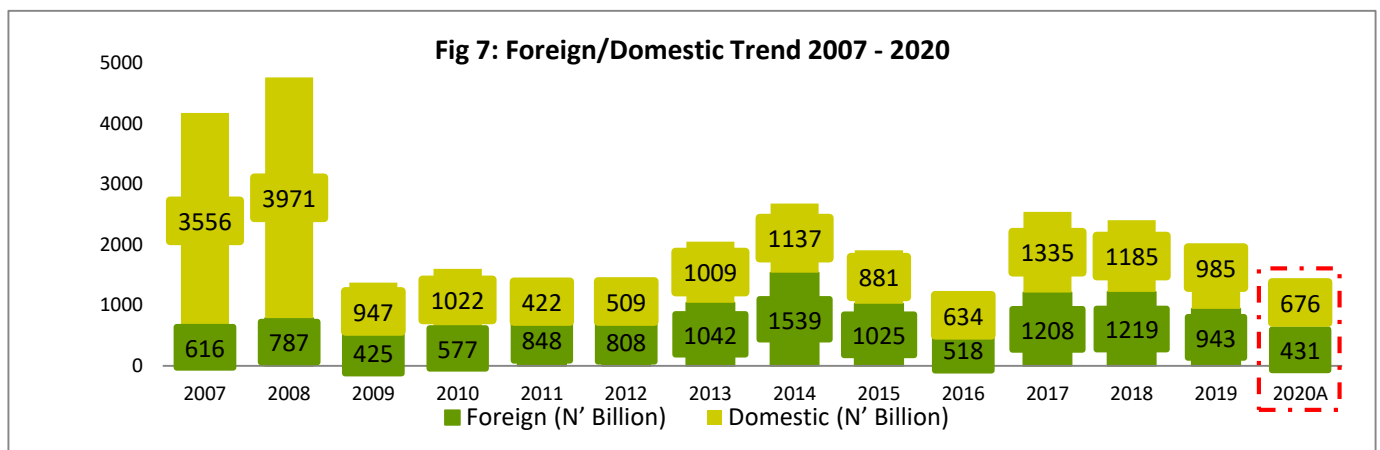
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

The data in figure 7 below, highlights the performance of the market over the last decade. Over a thirteen (13) year period, domestic transactions decreased by 72.30% from N3.556t in 2007 to ₦985bn in 2019 whilst foreign transactions increased by 53.08% from ₦616bn to ₦943bn over the same period.

Total domestic transactions accounted for about 51% of the total transactions carried out in 2019, whilst foreign transactions accounted for about 49% of the total transactions in the same period.

The actual performance referenced 2020A (2020 Actual) shows that total foreign transactions carried out year till date (YTD) is about ₦431.22 billion whilst total domestic transactions YTD is about ₦675.55 billion.

Figure 7: Foreign/Domestic 13-year Trend (2007 – Date)





THE Nigerian STOCK EXCHANGE

About The Nigerian Stock Exchange's Domestic and Foreign Portfolio Investment Report

The Nigerian Stock Exchange's Domestic and Foreign Portfolio Investment Report is prepared on a monthly basis, with trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI) flows. These transactions are carried out by Domestic and Foreign investors. The Domestic investors are further categorized into Retail and Institutional investors.

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