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

November 2020
On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI) flows. As at 30 November 2020, total transactions at the nation’s bourse increased by 29.77% from ₦244.90billion (about $634.55million) in October 2020 to ₦317.81billion (about $813.87million) in November 2020. The performance of the current month when compared to the performance in November 2019 (₦172.52billion) revealed that total transactions increased by 84.22%. In November 2020, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa 58% as shown in figure 1 below.

A further analysis of the total transactions executed between the current and prior month (October 2020) revealed that total domestic transactions increased by 53.51% from ₦163.18billion in October to ₦250.50billion in November 2020. Total foreign transactions, however, decreased by 17.63% from ₦81.72billion (about $211.75million) to ₦67.31billion (about $172.38million) between October and November 2020.

1 Information on the retail and institutional components of the total domestic transactions in November 2020 is based on data obtained from the monthly stockbroking transaction report of about 98% of the Active Dealing Members of The Exchange.
2 2020 Year to Date (YTD) represents January to November 2020 Transactions.
3 2019 Year to Date (YTD) represents January to November 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 31 October 2020 was N385.95 to $1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).
6 The Exchange rate as at 30 November 2020 was N390.50 to $1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).
ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by 16%. A comparison of domestic transactions in the current and prior month (October 2020) revealed that retail transactions increased by 52.10% from N69.948bn in October 2020 to N106.384bn in November 2020. Whilst the institutional composition of the domestic market increased by 54.57% from N93.240bn in October 2020 to N144.120bn in November 2020.

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 N3.556tn in 2007 to N985bn in 2019 whilst foreign transactions increased by 53.08% from N616bn to N943bn 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 N659.28bn, whilst total domestic transactions YTD is about N1239.62bn.
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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