



**THE Nigerian
STOCK EXCHANGE**

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

February 2020



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 29 FEBRUARY 2020¹

Period	Total	Foreign ₦'Billion	Foreign %	Domestic ₦'Billion	Domestic %	Foreign Inflow ₦'Billion	Foreign outflow ₦'Billion	Domestic Retail ₦'Billion	Domestic Institutional ₦'Billion
Jan-20	235.46	70.31	29.86%	165.14	70.14%	23.81	46.50	81.67	83.47
Feb-20	148.50	71.34	48.04%	77.16	51.96%	18.97	52.37	29.56	47.60
2020 YTD ²	383.67	141.65	36.92%	242.01	63.08%	42.78	98.87	111.11	130.89
2019 YTD ³	310.16	165.79	53.45%	144.37	46.55%	71.74	94.05	70.66	73.71

Note the increase in foreign outflow relative to foreign inflow between January and February 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 29 February 2020, total transactions at the nation's bourse decreased by **36.93% from ₦235.46 billion (about \$767.23million) in January 2019⁵ to ₦148.50 billion (about \$484.60 million) in February 2020**. The performance of the current month when compared to the performance in the same period (February 2019) of the prior year revealed that total transactions decreased by **21.04%**. In February 2020, the total value of transactions executed by Domestic investors outperformed transactions executed by Foreign investors by circa **4%** as shown in figure 1 below.

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

Figure 1: Domestic vs. Foreign Participation

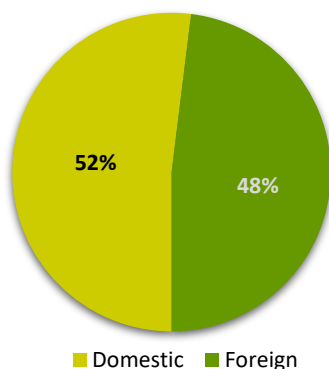


Figure 2: Inflow (N'Bn)

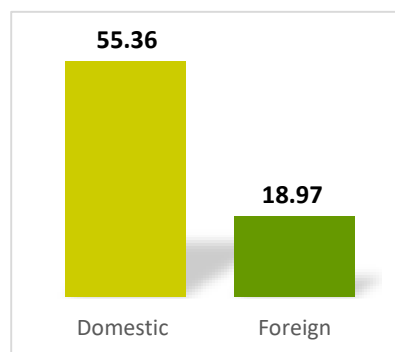
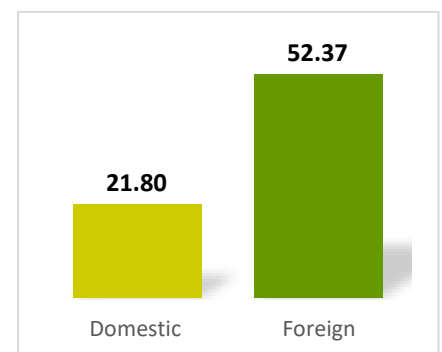


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (January 2020) revealed that total domestic transactions decreased by **53.27%** from ₦165.14 billion in January to ₦77.16 billion in February 2020. However, total foreign transactions increased marginally by **1.46% from ₦70.31 billion (about \$229.42million) to ₦71.34 billion (about \$232.79 million)** between January and February 2020.

ANALYSIS OF DOMESTIC TRANSACTIONS

The value of domestic transactions executed by Institutional investors outperformed Retail investors by **24%** as illustrated in figure 4 below. A comparison of domestic transactions in the current and prior month (January

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

²2020 Year to Date (YTD) represents January to February 2020 Transactions.

³2019 Year to Date (YTD) represents January to February 2019 Transactions.

⁴Methodology - 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).

⁵The Exchange rate (Central) as at 29 February 2020 was **N306.45 to \$1**.



2020) revealed that retail transactions decreased by **63.81%** from ₦81.67 billion in January 2020 to ₦29.56 billion in February 2020. Similarly, the institutional composition of the domestic market decreased by **42.97%** from ₦83.47 billion in January 2020 to ₦47.60 billion in February 2020.

Figure 4: Retail vs. Institutional

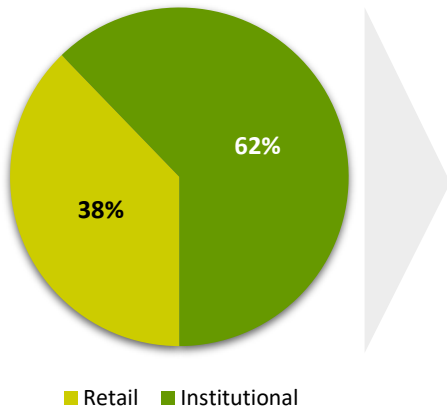


Figure 5: Inflow (N'Bn)

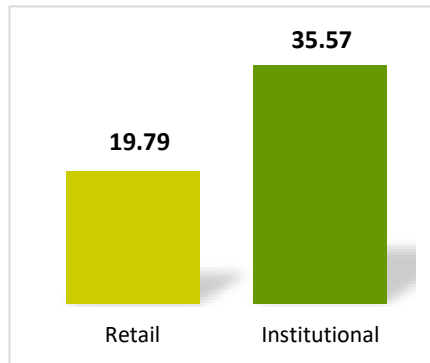
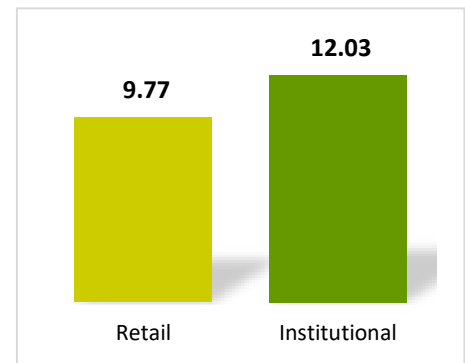


Figure 6: Outflow (N'Bn)



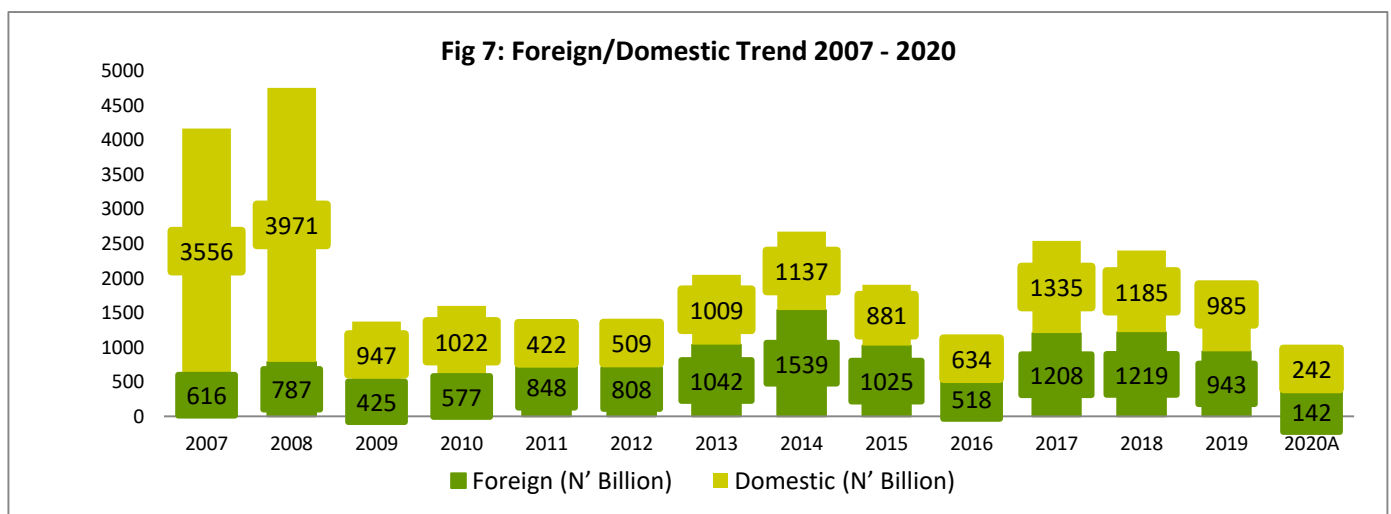
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

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 ₦3.556t 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 ₦141.65 billion whilst total domestic transactions YTD is about ₦242.30 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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