



**THE Nigerian
STOCK EXCHANGE**

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

January 2019

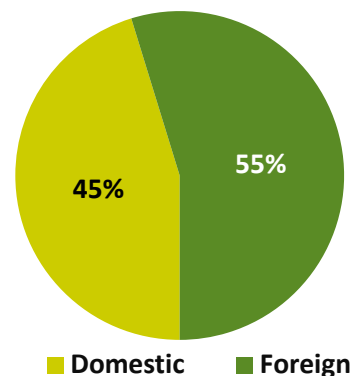


DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

ANALYSIS OF TRANSACTIONS FOR THE MONTH (JAN'19)¹

On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Foreign Portfolio Investment (FPI)² flows. As at 31 January 2019, total transactions at the nation's bourse reduced by **3.00% from ₦125.86 billion recorded in December 2018 to ₦122.08 billion (about \$398.8 million)³ in January 2019.** The performance of the current month when compared to the performance of the same period (January 2018) in the prior year revealed that total transactions reduced by **69.05%**. Total transactions include transactions by domestic and foreign investors, domestic investors are further categorized into Retail and Institutional investors. In January 2019, the total value of transactions executed by foreign investors outperformed those executed by domestic investors by **10.00%** as shown in figure 1.

Figure 1: Domestic vs. Foreign Participation



ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (JAN'19)

Figure 2: Inflow (N'Bn)

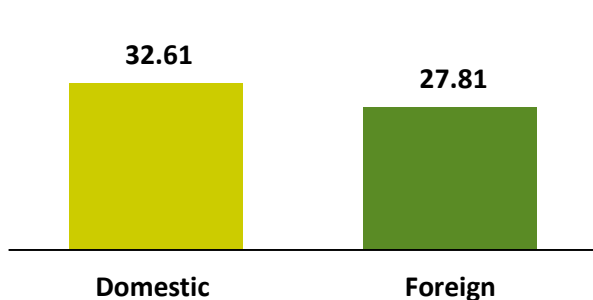
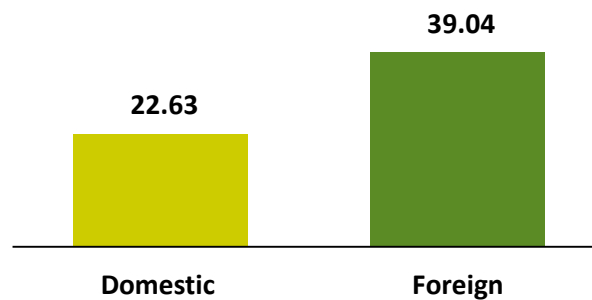


Figure 3: Outflow (N'Bn)



A further analysis of the transactions executed in the current and prior month (December 2018) revealed that total foreign transactions increased by **11.27%** from ₦60.08 billion in December 2018 to ₦66.85 billion in January 2019. Foreign outflows also increased by **5.20% from ₦37.11 billion to ₦39.04 billion with a corresponding increase in foreign inflows which increased by 21.07% from ₦22.97 billion to ₦27.81 billion** between December 2018 and January 2019.

ANALYSIS OF DOMESTIC TRANSACTIONS

The value of the total transactions executed in the domestic market by retail investors' outperformed Institutional investors by **8.00%** as illustrated below. A comparison of the current and prior month (December 2018) transactions revealed that the total retail transactions increased by **6.27%** from ₦27.91 billion in December 2018 to ₦29.66 billion in January 2019. The Institutional composition of the domestic market reduced significantly by **32.45%** from ₦37.87 billion in December 2018 to ₦25.58 billion in January 2019.

This indicates a higher participation by retail investors' over their institutional counterparts in January 2019.

¹ Information on the retail and institutional components of total domestic transactions in January 2019 is based on data obtained from the monthly stockbroking transaction report of about **96%** of the Active Dealing Members of The Exchange.

² 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).

³ The Exchange rate as at 31 January 2019 was **N306.25**.



Figure 4: Retail vs. Institutional

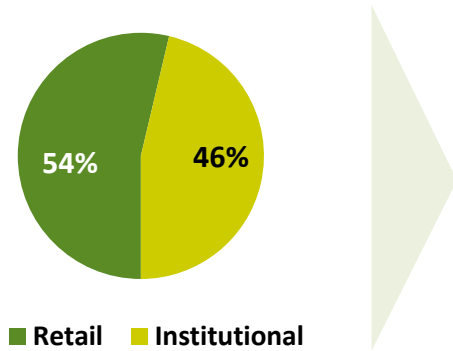


Figure 5: Inflow (N'Bn)

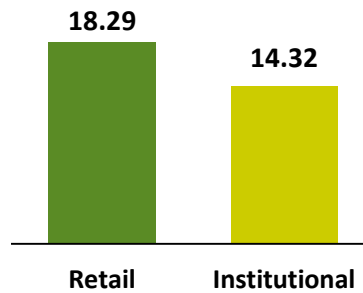
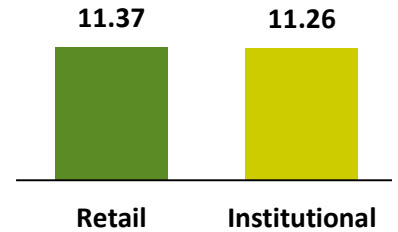
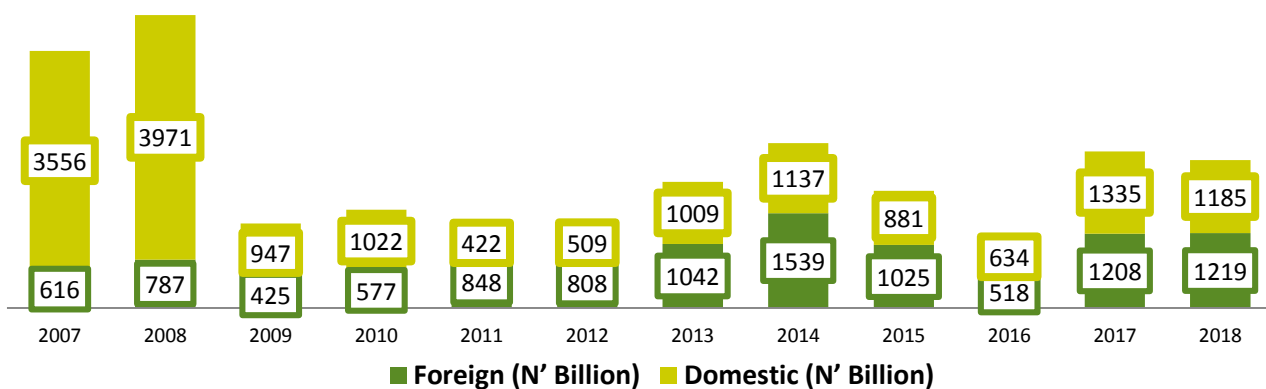


Figure 6: Outflow (N'Bn)



The foreign and domestic trend shown in Figure 7 below, highlights the performance of the market over the last decade. Between 2011 and 2015, foreign transactions consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, and remained almost at par in 2018.

Figure 7: Foreign/Domestic 12 year Trend (2007 – Date)



Foreign transactions which stood at N1.539t in 2014 declined to N1.219t in 2018. Over the twelve (12) year period, domestic transactions decreased by **66.68%** from N3.556t in 2007 to N1.185t in 2018.

Total foreign transactions accounted for about **51%** of the total transactions carried out in 2018, whilst domestic transactions accounted for about **49%** of the total transactions in the same period.



THE Nigerian STOCK EXCHANGE

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

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