



**THE Nigerian
STOCK EXCHANGE**

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

January 2020



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 JANUARY 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	70.32	29.86%	165.14	70.14%	23.82	46.50	81.67	83.47
Jan-19	122.08	66.85	54.74%	55.23	45.26%	27.81	39.04	29.65	25.58
Dec-19	127.94	63.14	49.35%	64.80	50.65%	21.69	41.45	24.47	40.32

Note the year on year increase in the value of total domestic transactions in January 2020 when compared to prior year

On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)² flows. As at 31 January 2020, total transactions at the nation's bourse increased by **84.03% from ₦127.94 billion (about \$417.41million) in December 2019³ to ₦235.46 billion (about \$767.23 million) in January 2020**. The performance of the current month when compared to the performance in the same period (January 2019) of the prior year revealed that total transactions increased by **92.87%**. In January 2020, the total value of transactions executed by Domestic investors outperformed transactions executed by Foreign investors by approximately **40%** as shown in figure 1 below.

ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (JANUARY 2020)

Figure 1: Domestic vs. Foreign Participation

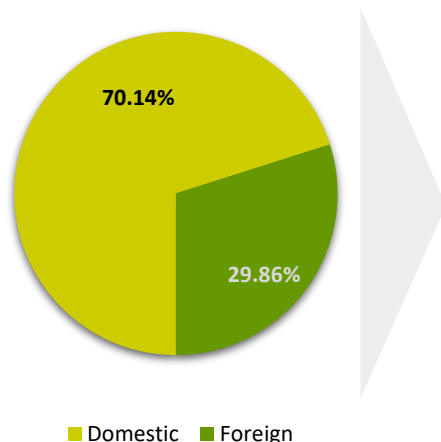


Figure 2: Inflow (N'Bn)

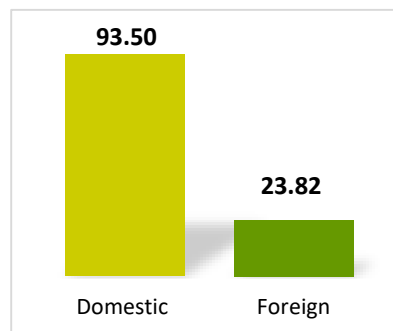
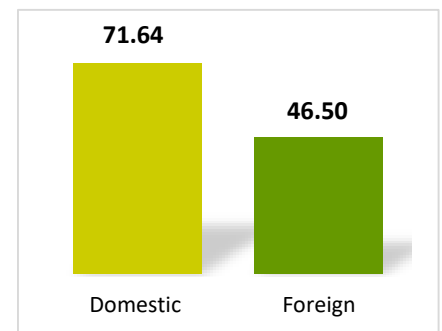


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (December 2019) revealed that total domestic transactions increased by **154.86%** from ₦64.80 billion in December to ₦165.14 billion in January 2020. Similarly, total foreign transactions increased by **11.35% from ₦63.14 billion (about \$206million) to ₦70.32 billion (about \$229.42 million)** between December and January 2020.

ANALYSIS OF DOMESTIC TRANSACTIONS

The value of domestic transactions executed by Institutional investors outperformed Retail investors by **2%** as illustrated in figure 4 below. A comparison of domestic transactions in the current and prior month (December 2019) revealed that retail transactions increased by **233.75%** from ₦24.47 billion in December 2019 to ₦81.67

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

²Methodology - 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).

³The Exchange rate (Central) as at 31 January 2020 was **₦306.5 to \$1**.



billion in January 2020. Similarly, the institutional composition of the domestic market increased by **107.02%** from ₦40.32 billion in December 2019 to ₦83.47 billion in January 2020.

Figure 4: Retail vs. Institutional

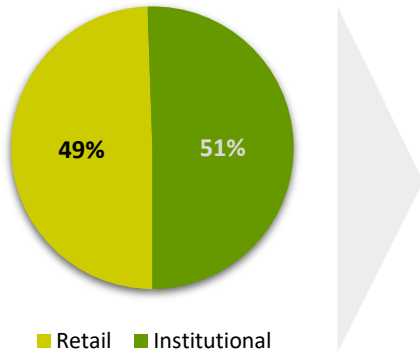


Figure 5: Inflow (N'Bn)

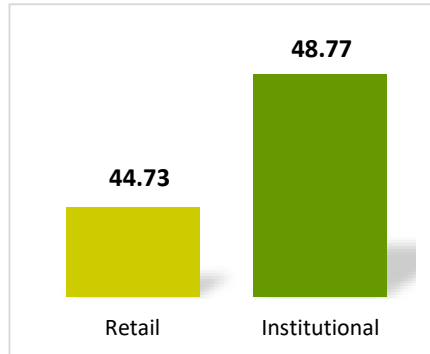
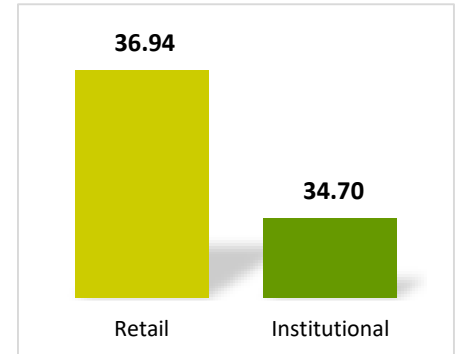


Figure 6: Outflow (N'Bn)



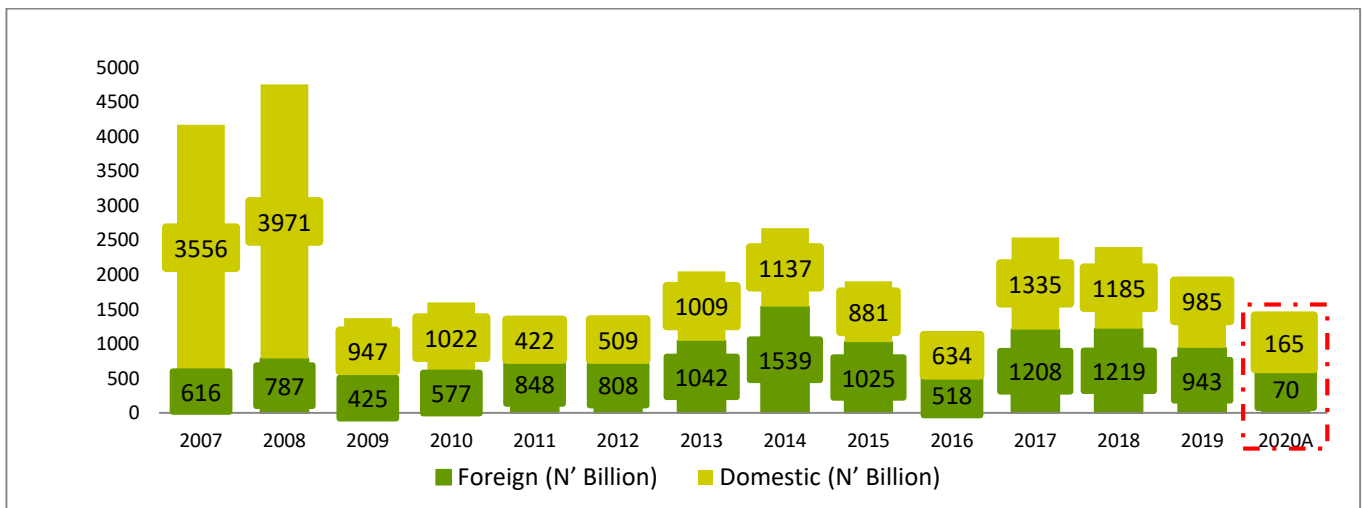
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

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 ₦70.32 billion whilst total domestic transactions YTD is about ₦165 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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