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

March 2019
DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS WITHIN THE FIRST QUARTER (MARCH’19)

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Foreign</th>
<th>Domestic</th>
<th>Foreign Inflow</th>
<th>Foreign outflow</th>
<th>Domestic Retail</th>
<th>Domestic Institutional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-19</td>
<td>122.08</td>
<td>66.85</td>
<td>55.23</td>
<td>45.26%</td>
<td>27.81</td>
<td>39.04</td>
<td>29.65</td>
</tr>
<tr>
<td>Feb-19</td>
<td>188.08</td>
<td>98.84</td>
<td>89.14</td>
<td>47.39%</td>
<td>43.93</td>
<td>55.01</td>
<td>41.01</td>
</tr>
<tr>
<td>Mar-19</td>
<td>110.11</td>
<td>56.09</td>
<td>54.02</td>
<td>49.06%</td>
<td>25.89</td>
<td>30.20</td>
<td>27.44</td>
</tr>
<tr>
<td>2019 YTD</td>
<td>420.26</td>
<td>221.87</td>
<td>198.39</td>
<td>47.21%</td>
<td>97.63</td>
<td>124.24</td>
<td>98.1</td>
</tr>
<tr>
<td>2018 YTD</td>
<td>878.97</td>
<td>381.82</td>
<td>497.15</td>
<td>43.44%</td>
<td>206.35</td>
<td>175.47</td>
<td>208.24</td>
</tr>
</tbody>
</table>

Note that foreign transactions were higher than domestic transactions in the first quarter of 2019.

On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Foreign Portfolio Investment (FPI) flows. As at 31 March 2019, total transactions at the nation’s bourse reduced by 41.46% from N188.08 billion (about $613.9 million) recorded in February 2019 to N110.10 billion (about $359.3 million) in March 2019. The performance of the current month when compared to the performance in the same period (March 2018) of the prior year revealed that total transactions reduced by 59.59%. In March 2019, the total value of transactions executed by foreign investors outperformed those executed by domestic investors by 2.00% as shown in figure 1 below.

ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (MARCH’19)

A further analysis of the total transactions executed between the current and prior month (February 2019) revealed that total foreign transactions reduced by 43.31% from N98.94 billion in February 2019 to N56.09 billion in March 2019. Total foreign outflows also reduced by 45.10% from N55.01 billion to N30.20 billion whilst foreign inflows reduced by 41.07% from N43.93 billion to N25.89 billion between February and March 2019.

ANALYSIS OF DOMESTIC TRANSACTIONS

The value of the total transactions executed by retail investors’ outperformed institutional investors by 2.00% as illustrated in figure 4 below. A comparison of the current and prior month (February 2019) transactions

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1 Information on the retail and institutional components of total domestic transactions in March 2019 is based on data obtained from the monthly stockbroking transaction report of about 97% of the Active Dealing Members of The Exchange.

2 2019 Year to Date (YTD) represents January to March 2019 Transactions.

3 2018 Year to Date (YTD) represents January to March 2018 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 29 March 2019 was N306.45 to $1.
revealed that total retail transactions reduced by 33.09% from N41.01 billion in February 2019 to N27.44 billion in March 2019. The institutional composition of the domestic market also reduced by 44.77% from N48.13 billion in February 2019 to N26.58 billion in March 2019.

The data in figure 7 below, highlights the performance of the market over the last decade. 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 actual performance referenced 2019A (2019 Actual) shows that the total foreign transactions carried out year till date (YTD) is about N221.87 billion whilst the total domestic transactions YTD is about N198.39 billion.
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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