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

March 2020
SUMMARY OF TRANSACTIONS AS AT 31 MARCH 2020

<table>
<thead>
<tr>
<th>Period</th>
<th>Total (N'Billion)</th>
<th>Foreign Inflow (N'Billion)</th>
<th>Domestic Inflow (N'Billion)</th>
<th>Foreign Outflow (N'Billion)</th>
<th>Domestic Outflow (N'Billion)</th>
<th>Domestic Retail Outflow (N'Billion)</th>
<th>Domestic Institutional Outflow (N'Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-20</td>
<td>235.46</td>
<td>70.31</td>
<td>29.86%</td>
<td>165.14</td>
<td>70.14%</td>
<td>81.67</td>
<td>83.47</td>
</tr>
<tr>
<td>Feb-20</td>
<td>148.5</td>
<td>71.34</td>
<td>48.04%</td>
<td>77.16</td>
<td>51.96%</td>
<td>29.56</td>
<td>47.6</td>
</tr>
<tr>
<td>Mar-20</td>
<td>242.91</td>
<td>110.22</td>
<td>45.37%</td>
<td>132.69</td>
<td>54.63%</td>
<td>60.23</td>
<td>72.46</td>
</tr>
<tr>
<td>2020 YTD</td>
<td>626.87</td>
<td>251.87</td>
<td>40.18%</td>
<td>374.98</td>
<td>59.82%</td>
<td>171.45</td>
<td>203.53</td>
</tr>
<tr>
<td>2019 YTD</td>
<td>420.26</td>
<td>221.87</td>
<td>52.79%</td>
<td>198.39</td>
<td>47.21%</td>
<td>98.1</td>
<td>100.29</td>
</tr>
</tbody>
</table>

Note the consistent increase in the FPI net outflow between January and March 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 31 March 2020, total transactions at the nation’s bourse increased by **63.58% from N148.50 billion (about $484.60 million)** in February 2020 to **N242.91 billion (about $630.04 million)** in March 2020. The performance of the current month when compared to the performance in March 2019 (N110.11 billion) revealed that total transactions increased by **120.60%**. In March 2020, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **10%** as shown in figure 1 below.

**ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (MARCH’20)**

A further analysis of the total transactions executed between the current and prior month (February 2020) revealed that total domestic transactions increased by **71.97%** from N77.16 billion in February to N132.69 billion in March 2020. Also, total foreign transactions increased by **54.50% from N71.34 billion (about $232.79 million) to N110.22 billion (about $285.89 million)** between February and March 2020.

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1 Information on the retail and institutional components of the total domestic transactions in March 2020 is based on data obtained from the monthly stockbroking transaction report of about 85% of the Active Dealing Members of The Exchange.
2 2020 Year to Date (YTD) represents January to March 2020 Transactions.
3 2019 Year to Date (YTD) represents January to March 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 29 February 2020 was N306.45 to $1 (Central Bank of Nigeria).
6 The Exchange rate as at 31 March 2020 was N385.55 to $1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).
ANALYSIS OF DOMESTIC TRANSACTIONS

The value of domestic transactions executed by Institutional Investors outperformed Retail Investors by 10% as illustrated in figure 4 below. A comparison of domestic transactions in the current and prior month (February 2020 to N60.22 billion in March 2020. Similarly, the institutional composition of the domestic market increased by 52.23% from N47.60 billion in February 2020 to N72.46 billion in March 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 N3.556t 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 N251.87 billion whilst total domestic transactions YTD is about N374.98 billion.

Fig 7: Foreign/Domestic Trend 2007 - 2020
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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