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

May 2020
DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 MAY 2020

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Foreign</th>
<th>Foreign</th>
<th>Domestic</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-20</td>
<td>235.46</td>
<td>70.31</td>
<td>29.86%</td>
<td>165.14</td>
<td>70.14%</td>
<td>23.81</td>
<td>46.50</td>
<td>81.67</td>
<td>83.47</td>
</tr>
<tr>
<td>Feb-20</td>
<td>148.50</td>
<td>71.34</td>
<td>48.04%</td>
<td>77.16</td>
<td>51.96%</td>
<td>18.97</td>
<td>52.37</td>
<td>29.56</td>
<td>47.60</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>22.49</td>
<td>87.73</td>
<td>60.23</td>
<td>72.46</td>
</tr>
<tr>
<td>Apr-20</td>
<td>128.67</td>
<td>53.18</td>
<td>41.33%</td>
<td>75.49</td>
<td>58.67%</td>
<td>20.98</td>
<td>32.20</td>
<td>40.42</td>
<td>35.07</td>
</tr>
<tr>
<td>May-20</td>
<td>119.15</td>
<td>35.24</td>
<td>29.58%</td>
<td>83.91</td>
<td>70.42%</td>
<td>18.43</td>
<td>16.81</td>
<td>42.19</td>
<td>41.72</td>
</tr>
<tr>
<td>2020 YTD¹</td>
<td>874.69</td>
<td>340.29</td>
<td>40.38%</td>
<td>534.39</td>
<td>59.62%</td>
<td>104.68</td>
<td>235.61</td>
<td>254.07</td>
<td>280.32</td>
</tr>
<tr>
<td>2019 YTD²</td>
<td>790.31</td>
<td>376.05</td>
<td>48.98%</td>
<td>414.25</td>
<td>51.02%</td>
<td>177.32</td>
<td>198.74</td>
<td>174.59</td>
<td>239.66</td>
</tr>
</tbody>
</table>

Note the increase in the value of total domestic transactions compared to foreign transactions between April and May 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 May 2020, total transactions at the nation’s bourse decreased by 7.40% from ₦128.67 billion (about $332.22 million) in April 2020⁵ to ₦119.15 billion (about $307.32 million) in May 2020.⁶ The performance of the current month when compared to the performance in May 2019 (₦221.13 billion) revealed that total transactions decreased by 46.12%. In May 2020, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa 40% as shown in figure 1 below.

A further analysis of the total transactions executed between the current and prior month (April 2020) revealed that total domestic transactions increased by 11.15% from ₦75.49 billion in April to ₦83.91 billion in May 2020. However, total foreign transactions decreased by 33.73% from ₦53.18 billion (about $137.37 million) to ₦35.24 billion (about $90.89 million) between April and May 2020.

¹ Information on the retail and institutional components of the total domestic transactions in May 2020 is based on data obtained from the monthly stockbroking transaction report of about 97% of the Active Dealing Members of The Exchange.
² 2020 Year to Date (YTD) represents January to May 2020 Transactions.
³ 2019 Year to Date (YTD) represents January to May 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 30 April 2020 was ₦387.30 to $1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).
⁶ The Exchange rate as at 31 May 2020 was ₦387.69 to $1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).
ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Retail investors marginally outperformed Institutional Investors by 0.56%. A comparison of domestic transactions in the current and prior month (April 2020) revealed that retail transactions increased by 4.38% from ₦40.42 billion in April 2020 to ₦42.19 billion in May 2020. Similarly, the institutional composition of the domestic market increased by 18.96% from ₦35.07 billion in April 2020 to ₦41.72 billion in May 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 ₦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 ₦340.29 billion whilst total domestic transactions YTD is about ₦534.37 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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