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

November 2019
DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

### SUMMARY OF TRANSACTIONS AS AT 30 NOVEMBER 2019

<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-19</td>
<td>122.08</td>
<td>66.85</td>
<td>54.74%</td>
<td>55.23</td>
<td>45.26%</td>
<td>27.81</td>
<td>39.04</td>
<td>29.65</td>
<td>25.58</td>
</tr>
<tr>
<td>Feb-19</td>
<td>188.08</td>
<td>98.94</td>
<td>52.61%</td>
<td>89.14</td>
<td>47.39%</td>
<td>43.93</td>
<td>55.01</td>
<td>41.01</td>
<td>48.13</td>
</tr>
<tr>
<td>Mar-19</td>
<td>110.11</td>
<td>56.09</td>
<td>50.94%</td>
<td>54.02</td>
<td>49.06%</td>
<td>25.89</td>
<td>30.20</td>
<td>27.44</td>
<td>26.58</td>
</tr>
<tr>
<td>Apr-19</td>
<td>148.91</td>
<td>76.92</td>
<td>51.66%</td>
<td>71.99</td>
<td>48.34%</td>
<td>35.14</td>
<td>41.78</td>
<td>29.26</td>
<td>42.73</td>
</tr>
<tr>
<td>May-19</td>
<td>221.13</td>
<td>77.25</td>
<td>34.94%</td>
<td>143.87</td>
<td>65.06%</td>
<td>37.90</td>
<td>39.35</td>
<td>47.23</td>
<td>96.64</td>
</tr>
<tr>
<td>June-19</td>
<td>297.25</td>
<td>96.74</td>
<td>32.55%</td>
<td>200.51</td>
<td>67.45%</td>
<td>44.30</td>
<td>52.44</td>
<td>155.12</td>
<td>45.38</td>
</tr>
<tr>
<td>July-19</td>
<td>113.47</td>
<td>57.78</td>
<td>50.92%</td>
<td>55.69</td>
<td>49.08%</td>
<td>28.38</td>
<td>29.40</td>
<td>25.44</td>
<td>30.25</td>
</tr>
<tr>
<td>Aug-19</td>
<td>121.99</td>
<td>63.90</td>
<td>52.38%</td>
<td>58.09</td>
<td>47.62%</td>
<td>34.92</td>
<td>28.98</td>
<td>23.92</td>
<td>34.17</td>
</tr>
<tr>
<td>Sep-19</td>
<td>141.45</td>
<td>94.45</td>
<td>66.77%</td>
<td>47.00</td>
<td>33.23%</td>
<td>47.73</td>
<td>46.72</td>
<td>23.36</td>
<td>23.64</td>
</tr>
<tr>
<td>Oct-19</td>
<td>163.16</td>
<td>103.73</td>
<td>63.58%</td>
<td>59.43</td>
<td>36.42%</td>
<td>37.85</td>
<td>65.88</td>
<td>18.23</td>
<td>41.20</td>
</tr>
<tr>
<td>Nov-19</td>
<td>172.52</td>
<td>86.76</td>
<td>50.29%</td>
<td>85.76</td>
<td>49.71%</td>
<td>33.59</td>
<td>53.17</td>
<td>32.21</td>
<td>53.55</td>
</tr>
<tr>
<td>2019 YTD²</td>
<td>1800.15</td>
<td>879.40</td>
<td>48.85%</td>
<td>920.70</td>
<td>51.15%</td>
<td>397.44</td>
<td>481.96</td>
<td>452.85</td>
<td>467.85</td>
</tr>
<tr>
<td>2018 YTD³</td>
<td>2278.54</td>
<td>1159.02</td>
<td>50.87%</td>
<td>1119.52</td>
<td>49.13%</td>
<td>553.48</td>
<td>605.54</td>
<td>496.72</td>
<td>622.80</td>
</tr>
</tbody>
</table>

Note the decrease in the total value of foreign transactions between October and November 2019.

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 30 November 2019, total transactions at the nation’s bourse increased by **5.74% from ₦163.16 billion (about $532.35 million) in October 2019² to ₦172.52 billion (about $562.89 million) in November 2019**. The performance of the current month when compared to the performance in the same period (November 2018) of the prior year revealed that total transactions increased by **15.23%**. In November 2019, the total value of transactions executed by foreign investors outperformed transactions executed by domestic investors marginally by **2.00%** as shown in figure 1 below.

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

**Figure 1: Domestic vs. Foreign Participation**

- **Domestic**: 51%
- **Foreign**: 49%

**Figure 2: Inflow (₦’Bn)**

- **Domestic**: 52.91
- **Foreign**: 33.60

**Figure 3: Outflow (₦’Bn)**

- **Domestic**: 32.85
- **Foreign**: 53.17

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¹ Information on the retail and institutional components of total domestic transactions in November 2019 is based on data obtained from the monthly stockbroking transaction report of about 99% of the Active Dealing Members of The Exchange.

²2019 Year to Date (YTD) represents January to November 2019 Transactions.

³2018 Year to Date (YTD) represents January to November 2018 Transactions.

⁴Methodology - 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).

⁵The Exchange rate (Central) as at 30 November 2019 was ₦306.5 to $1.
A further analysis of the total transactions executed between the current and prior month (October 2019) revealed that total domestic transactions increased by **44.30%** from **₦59.43 billion** in October to **₦85.76 billion** in November 2019. However, total foreign transactions decreased by **16.36% from ₦103.73 billion (about $338.4 million)** to **₦86.76 billion (about $283.1 million)** between October and November 2019.

### ANALYSIS OF DOMESTIC TRANSACTIONS

The value of domestic transactions executed by Institutional investors outperformed retail investors by **24%** as illustrated in figure 4 below. A comparison of domestic transactions in the current and prior month (October 2019) revealed that retail transactions increased significantly by **76.69%** from **₦18.23 billion** in October 2019 to **₦32.21 billion** in November 2019. However, the institutional composition of the domestic market increased by **29.98% from ₦41.20 billion** in October 2019 to **₦53.55 billion** in November 2019.

![Figure 4: Retail vs. Institutional](image)

### 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 twelve (12) year period, domestic transactions decreased by **66.68%** from **₦3.556t** in 2007 to **₦1.185t** in 2018 whilst foreign transactions increased by **97.88%** from **₦616bn** to **₦1.219t** over the same period.

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 total foreign transactions carried out year till date (YTD) is about **₦879.40 billion** whilst total domestic transactions YTD is about **₦920.70 billion**.

![Figure 7: Foreign/Domestic 12-year Trend (2007 – Date)](image)
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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