



**DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION  
IN EQUITY TRADING – March 2018**

On a monthly basis, The Nigerian Stock Exchange polls trading figures from major custodians and market operators on their Foreign Portfolio Investment (FPI) flows. The table below shows an analysis of transactions on The Exchange as at the end of March 2018.

**Table 1: Analysis of Transactions for the Period Ended 31 March 2018<sup>1</sup>**

All figures are in ₦' Billions

Period	Total	Foreign	Foreign %	Domestic	Domestic %	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
Jan 2018	394.44	166.39	42.18%	228.05	57.82%	91.75	74.64	106.49	121.56
Feb 2018	212.05	83.22	39.25%	128.83	60.75%	44.89	38.33	52.75	76.08
Mar 2018	272.48	132.21	48.52%	140.27	51.48%	69.71	62.50	49.00	91.27
2018 YTD <sup>2</sup>	878.97	381.82	43.44%	497.15	56.56%	206.35	175.47	208.24	288.91
2017 YTD <sup>3</sup>	454.48	211.06	46.44%	243.42	53.56%	62.35	148.71	59.11	184.31

Note the increase in foreign transactions in March compared to February 2018.

## Analysis

### Domestic vs. Foreign 2018

Total transactions at the nation's bourse increased by 28.50% from ₦212.05 billion recorded in February 2018 to ₦272.48 billion (about \$0.89 billion)<sup>4</sup> in March 2018. The cumulative transactions from January to March increased by 48.29% from ₦454.48 billion recorded in 2017 to ₦878.97 billion in 2018.

Domestic investors outperformed foreign investors by 2.96% in March 2018. Total domestic transactions increased by 8.88% from ₦128.83 billion in February to ₦140.27 billion in March 2018. Foreign transactions increased more significantly by 58.87% from ₦83.22 billion to ₦132.21 billion within the same period.

There was a 55.29% increase in foreign inflows from ₦44.89 billion in February 2018 to ₦69.71 billion in March 2018. Foreign outflows also increased by 63.06% from ₦38.33 billion to ₦62.50 billion within the same period.

<sup>1</sup> 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).

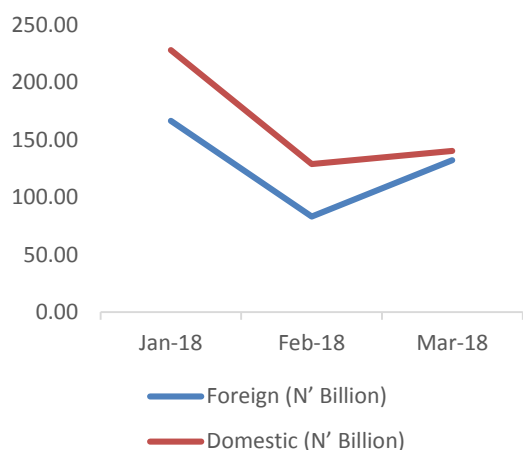
<sup>2</sup> 2018 YTD represents January to March 2018 transactions.

<sup>3</sup> 2017 YTD represents January to March 2017 transactions.

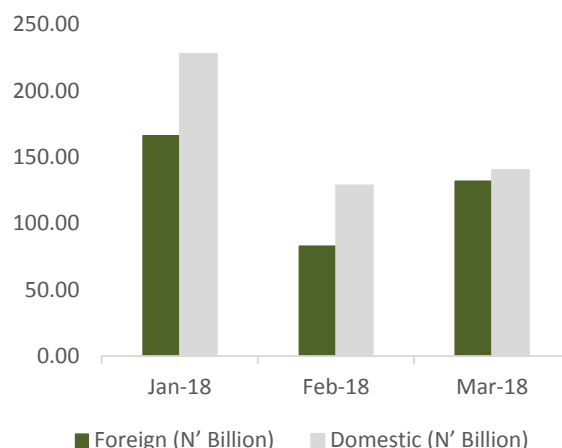
<sup>4</sup> The Exchange rate as at 29 March 2018 was ₦305.15.



**Fig 1: Foreign vs Domestic Trend  
Jan - March**



**Fig 2: Foreign vs Domestic Market Share  
Jan - March**



**Fig 3: Retail vs. Institutional March 2018<sup>5</sup>**

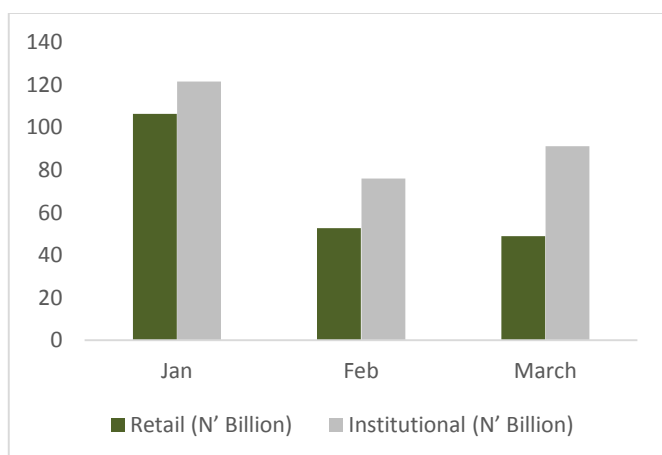


Fig 3 highlights the domestic composition of transactions on The Exchange between January and March 2018.

The institutional composition of the domestic market increased by 19.97% from N76.08 billion in February to N91.27 billion in March 2018. However, the retail composition decreased by 7.11% from N52.75 billion to N49.00 billion within the same period.

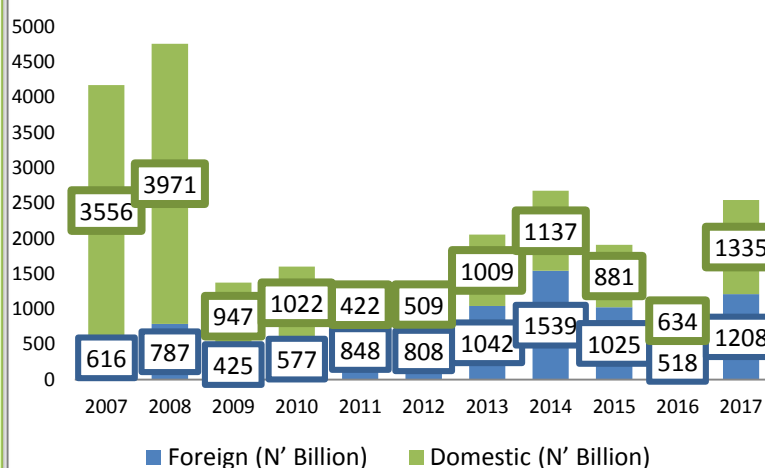
This indicates a higher participation by institutional investors over their retail counterparts.

Fig 4 highlights that since 2011, foreign transactions consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, accounting for 52% of the total transaction value in 2017.

Also, foreign transactions which was N1.539t in 2014 declined to N518b in 2016, but increased significantly by 133% to N1.208t in 2017 thereby accounting for about 48% of total transactions in 2017.

Over an eleven (11) year period, domestic transactions have decreased by 62.46% from N3.556t in 2007 to N1.335t in 2017. However, there was a significant increase in 2017 by 111% from N634 billion recorded in 2016.

**Fig 4: Foreign/Domestic Trend 2007 - 2017**



<sup>5</sup> Information on the retail and institutional components of total domestic transactions in March 2018 is based on data obtained from about 98% of Active Dealing Members of The Exchange.