



**THE Nigerian  
STOCK EXCHANGE**

# The Nigerian Stock Exchange's Domestic & Foreign Portfolio Investment Report

February 2019

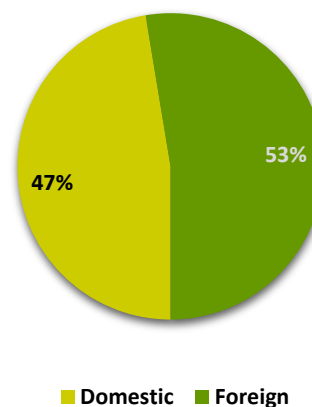


## DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

### ANALYSIS OF TRANSACTIONS FOR THE MONTH (FEB'19)<sup>1</sup>

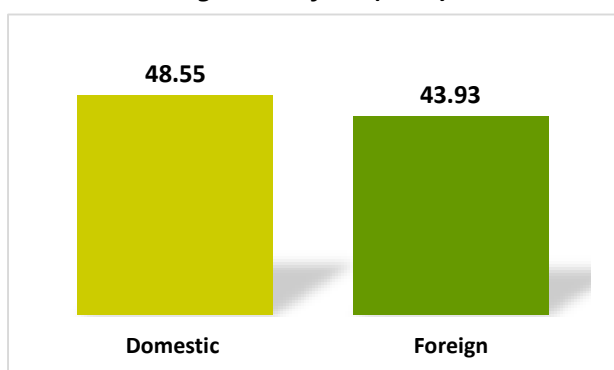
On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Foreign Portfolio Investment (FPI)<sup>2</sup> flows. As at 28 February 2019, total transactions at the nation's bourse increased by **54.06% from ₦122.08 billion recorded in January 2019 to ₦188.08 billion (about \$613.9 million)<sup>3</sup> in February 2019.** The performance of the current month when compared to the performance of the same period (February 2018) in the prior year revealed that total transactions reduced by **11.30%**. These total transactions were executed by domestic and foreign investors, domestic investors are further categorized into retail and institutional investors. In February 2019, the total value of transactions executed by foreign investors outperformed those executed by domestic investors by **6.00%** as shown in figure 1.

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

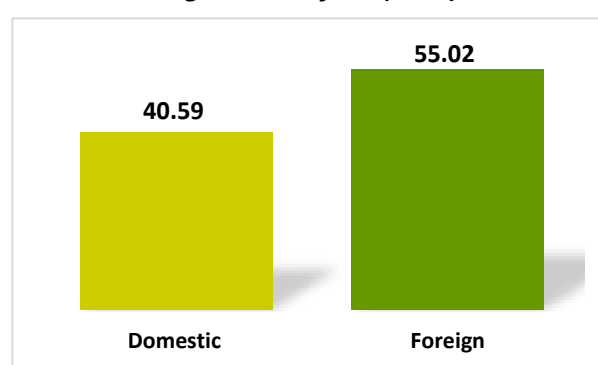


### ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (FEB'19)

**Figure 2: Inflow (N'Bn)**



**Figure 3: Outflow (N'Bn)**



A further analysis of the transactions executed between the current and prior month (January 2019) revealed that total foreign transactions increased by **48.00%** from ₦66.85 billion in January 2019 to ₦98.94 billion in February 2019. There was a significant increase in foreign outflows which increased by **97.80% from ₦27.81 billion to ₦55.01 billion and foreign inflows which increased by 91.24% from ₦22.97 billion to ₦43.93** billion between January and February 2019.

### ANALYSIS OF DOMESTIC TRANSACTIONS

The value of the total transactions executed in the domestic market by institutional investors' outperformed retail investors by **8.00%** as illustrated below. A comparison of the current and prior month (January 2019) transactions revealed that the total retail transactions increased by **38.26%** from ₦29.66 billion in January

<sup>1</sup> Information on the retail and institutional components of total domestic transactions in February 2019 is based on data obtained from the monthly stockbroking transaction report of about **96%** of the Active Dealing Members of The Exchange.

<sup>2</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).

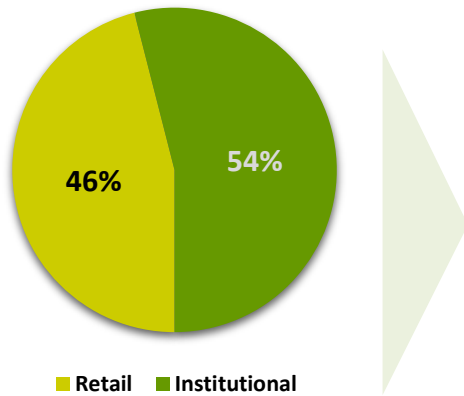
<sup>3</sup> The Exchange rate as at 28 February 2019 was **₦306.35 to \$1**.



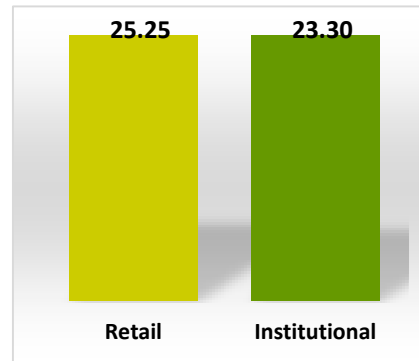
2019 to ₦41.01 billion in February 2019. The institutional composition of the domestic market also increased significantly by **88.15%** from ₦25.58 billion in January 2019 to ₦48.13 billion in February 2019.

This indicates a higher participation by institutional investors' over their retail counterparts in February 2019.

**Figure 4: Retail vs. Institutional**



**Figure 5: Inflow (N'Bn)**

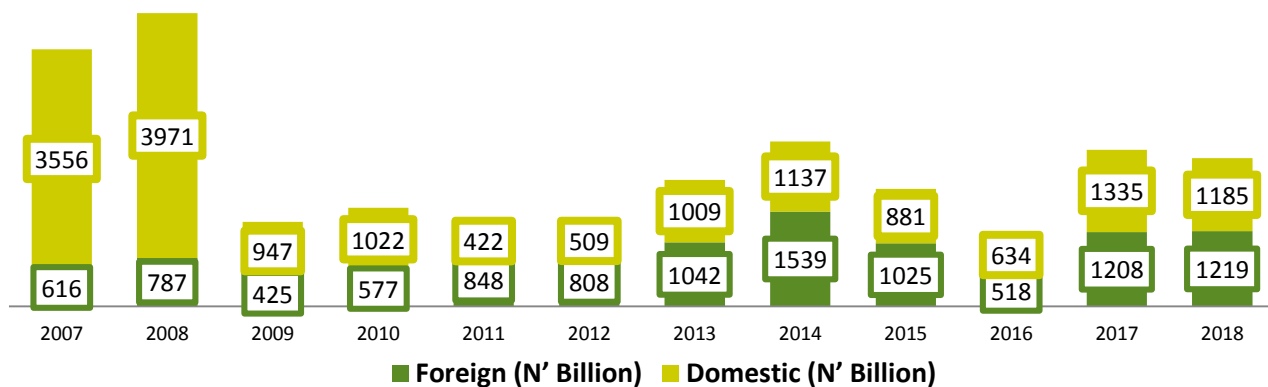


**Figure 6: Outflow (N'Bn)**



The foreign and domestic trend shown in figure 7 below, highlights the performance of the market over the last decade. Between 2011 and 2015, foreign transactions consistently outperformed domestic transactions. However, domestic transactions marginally outperformed foreign transactions in 2016 and 2017, and remained almost at par in 2018.

**Figure 7: Foreign/Domestic 12 year Trend (2007 – Date)**



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 Nigerian STOCK EXCHANGE

## 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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