



# Domestic & Foreign Portfolio Investment Report of Nigerian Exchange Limited

April 2021



## DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

### SUMMARY OF TRANSACTIONS AS AT 30 APRIL 2021<sup>1</sup>

Period	Total	Foreign	Foreign	Domestic	Domestic	Foreign Inflow	Foreign outflow	Domestic Retail	Domestic Institutional
		N'Billion	%	N'Billion	%	N'Billion	N'Billion	N'Billion	N'Billion
Jan-21	232.46	47.52	20.44%	184.94	79.56%	16.73	30.79	67.44	117.50
Feb-21	215.58	62.07	28.79%	153.51	71.21%	23.02	39.05	53.80	99.71
Mar-21	228.49	40.64	17.79%	187.85	82.21%	20.36	20.28	108.55	79.30
Apr-21	159.93	28.02	17.52%	131.91	82.48%	18.20	9.82	36.50	95.41
2021 YTD <sup>2</sup>	836.46	178.25	21.31%	658.21	78.69%	78.31	99.94	266.29	391.92
2020 YTD <sup>3</sup>	755.54	305.05	40.38%	450.48	59.62%	86.25	218.80	211.88	238.60

Note the significant decrease in the value of total transactions between March and April 2021.

On a monthly basis, Nigerian Exchange Limited (“NGX”) polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)<sup>4</sup> flows. As at 30 April 2021, total transactions at the nation’s bourse decreased by **30.01% from N228.49billion (about \$560.55million) in March 2021<sup>5</sup> to N159.93billion (about \$389.84million) in April 2021<sup>6</sup>**. The performance of the current month when compared to the performance in April 2020 (**N128.67billion**) revealed that total transactions increased by **24.29%**. In April 2021, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **64%** as shown in figure 1 below.

### ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (APRIL '21)

Figure 1: Domestic vs. Foreign Participation

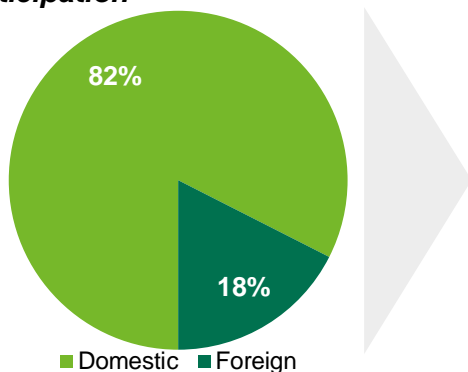


Figure 2: Inflow (N'Bn)

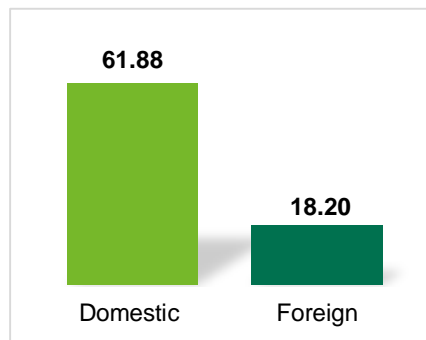
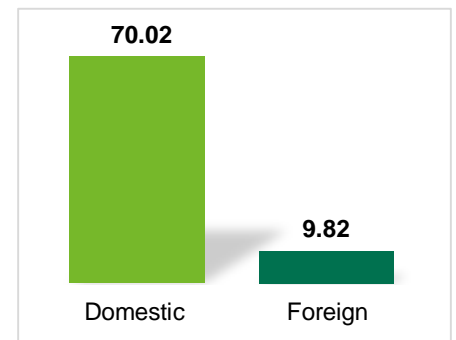


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (March 2021) revealed that total domestic transactions decreased by **29.78%** from N187.85billion in March to N131.91billion in April 2021. Similarly, total foreign transactions decreased by **31.05% from N40.64billion (about \$99.70million) to N28.02billion (about \$68.31million)** between March 2021 and April 2021.

<sup>1</sup> Information on the retail and institutional components of the total domestic transactions in April 2021 is based on data obtained from the monthly stockbroking transaction report of all the Active Trading License Holders (TLHs) of Nigerian Exchange Limited (“NGX”).

<sup>2</sup> 2021 Year to Date (YTD) represents January to April 2021 Transactions.

<sup>3</sup> 2020 Year to Date (YTD) represents January to April 2020 Transactions.

<sup>4</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 NGX (Equities only).

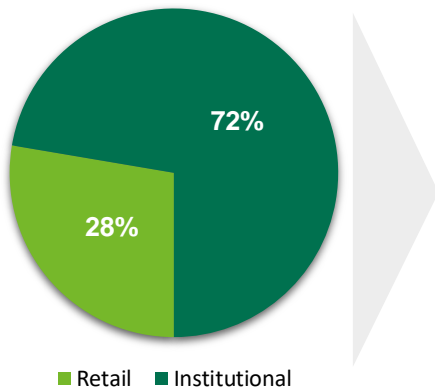
<sup>5</sup> The Exchange rate as at 31 March 2021 was N407.63 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

<sup>6</sup> The Exchange rate as at 30 April 2021 was N410.24 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

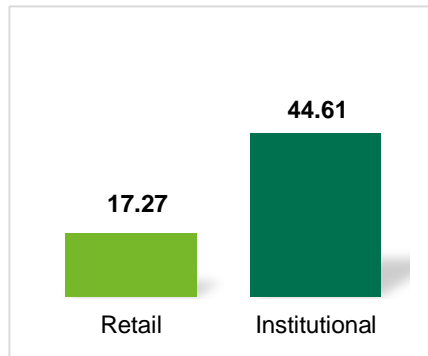
## ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by **44%**. A comparison of domestic transactions in the current and prior month (March 2021) revealed that retail transactions decreased by **66.37%** from ₦108.55billion in March 2021 to ₦36.50billion in April 2021. However, the institutional composition of the domestic market increased by **20.32%** from ₦79.30billion in March 2021 to ₦95.41billion in April 2021.

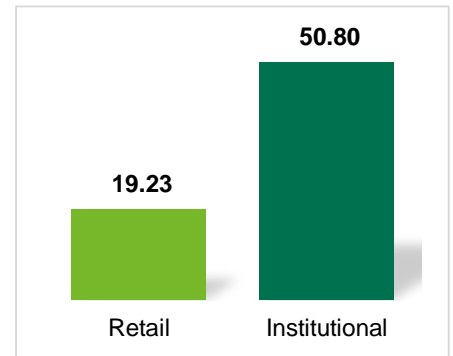
**Figure 4: Retail vs. Institutional**



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



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



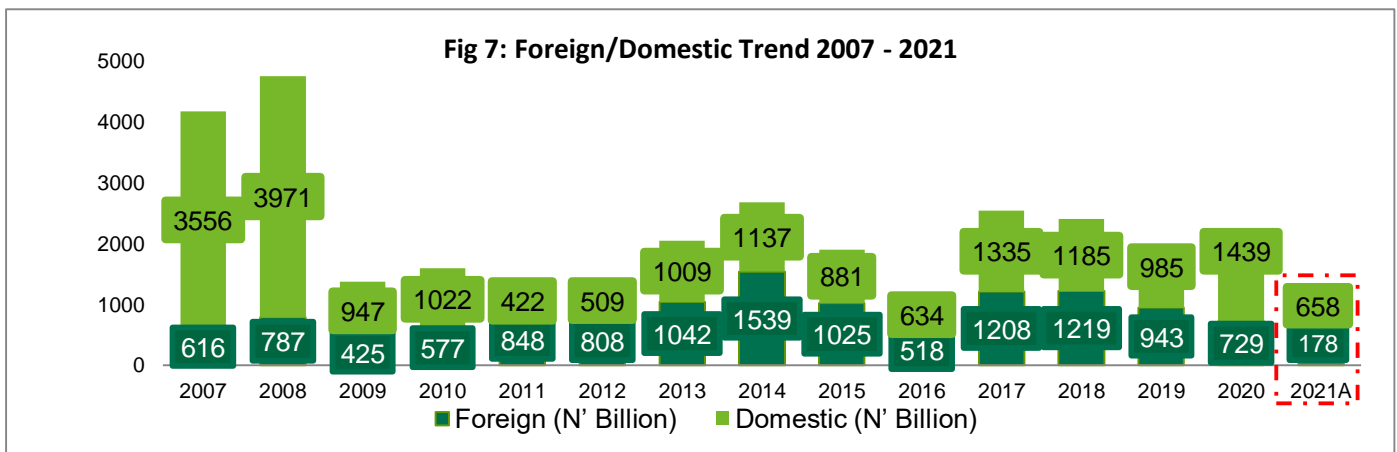
## HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

The data in figure 7 below highlights the performance of the market over the last decade. Over a fourteen (14) year period, domestic transactions decreased by **59.54%** from ₦3.556t in 2007 to ₦1.439t in 2020 whilst foreign transactions increased by **18.45%** from ₦616bn to ₦729bn over the same period.

Total domestic transactions accounted for about 74% of the total transactions carried out in 2020, whilst foreign transactions accounted for about 26% of the total transactions in the same period.

The transaction data for 2021 shows that total foreign transactions stand at circa ₦178.25billion, whilst total domestic transactions are circa ₦658.21billion.

**Figure 7: Foreign/Domestic 14-year Trend (2007 – Date)**





## About The Domestic and Foreign Portfolio Investment Report of Nigerian Exchange Limited

*The 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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