



**THE Nigerian  
STOCK EXCHANGE**

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

December 2020



**DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING**

**SUMMARY OF TRANSACTIONS AS AT 31 DECEMBER 2020<sup>1</sup>**

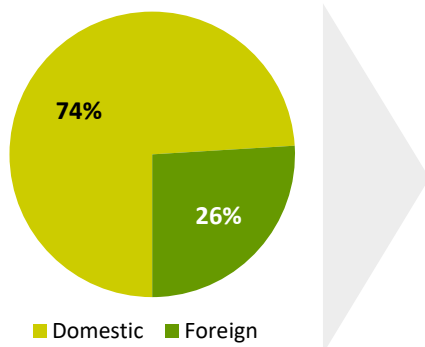
Period	Total	Foreign N'Billion	Foreign %	Domestic N'Billion	Domestic %	Foreign Inflow N'Billion	Foreign outflow N'Billion	Domestic Retail N'Billion	Domestic Institutional N'Billion
Jan-20	235.46	70.31	29.86%	165.14	70.14%	23.81	46.5	81.67	83.47
Feb-20	148.50	71.34	48.04%	77.16	51.96%	18.97	52.37	29.56	47.6
Mar-20	242.91	110.22	45.37%	132.69	54.63%	22.49	87.73	60.23	72.46
Apr-20	128.67	53.18	41.33%	75.49	58.67%	20.98	32.20	40.42	35.07
May-20	119.15	35.24	29.58%	83.91	70.42%	18.43	16.81	42.19	41.72
Jun-20	128.88	56.34	43.72%	72.54	56.28%	25.27	31.07	32.34	40.20
Jul-20	103.21	34.59	33.51%	68.62	66.49%	13.70	20.89	32.54	36.08
Aug-20	94.45	38.98	41.27%	55.47	58.73%	17.66	21.32	26.61	28.86
Sep-20	134.97	40.05	29.67%	94.92	70.33%	14.00	26.05	35.69	59.23
Oct-20	244.90	81.72	33.37%	163.18	66.63%	25.28	56.44	69.94	93.24
Nov-20	317.81	67.31	21.18%	250.50	78.82%	25.54	41.77	106.38	144.12
Dec-20	269.24	69.92	25.97%	199.32	74.03%	21.14	48.78	61.22	138.09
2020 YTD <sup>2</sup>	2168.15	729.20	33.63%	1438.94	66.37%	247.27	481.93	618.75	820.14
2019 YTD <sup>3</sup>	1928.09	942.55	48.88%	985.53	51.11%	419.13	523.42	477.34	508.17

Note the total domestic investments vs. foreign investments in the last quarter of 2020.

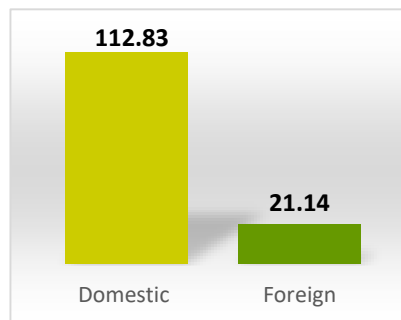
On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)<sup>4</sup> flows. As at 31 December 2020, total transactions at the nation's bourse decreased by **15.28% from ₦317.81billion (about \$813.87million) in November 2020<sup>5</sup> to ₦269.24billion (about \$687.06million) in December 2020<sup>6</sup>**. The performance of the current month when compared to the performance in December 2019 (**₦127.94billion**) revealed that total transactions increased by **110.44%**. In December 2020, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **48%** as shown in figure 1 below.

**ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (DECEMBER'20)**

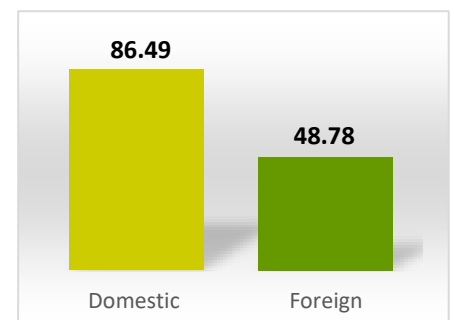
**Figure 1: Domestic vs. Foreign Participation**



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



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



A further analysis of the total transactions executed between the current and prior month (November 2020) revealed that total domestic transactions decreased by **20.43%** from ₦250.50billion in November to

<sup>1</sup> Information on the retail and institutional components of the total domestic transactions in November 2020 is based on data obtained from the monthly stockbroking transaction report of all the Active Dealing Members of The Exchange.

<sup>2</sup> 2020 Year to Date (YTD) represents January to December 2020 Transactions.

<sup>3</sup> 2019 Year to Date (YTD) represents January to December 2019 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 the Nigerian Stock Exchange (Equities only).

<sup>5</sup> The Exchange rate as at 30 November 2020 was **₦390.50 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing)**.

<sup>6</sup> The Exchange rate as at 31 December 2020 was **₦391.88 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing)**.

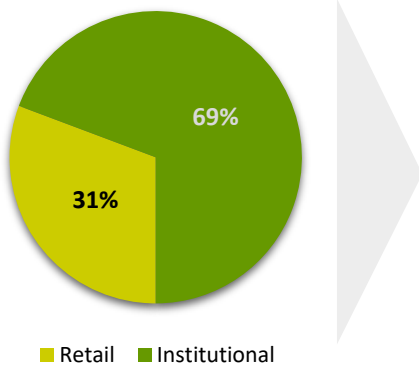


₦199.32billion in December 2020. However, total foreign transactions increased by **3.88% from ₦67.31billion (about \$172.38million) to ₦69.92billion (about \$178.44million)** between November and December 2020.

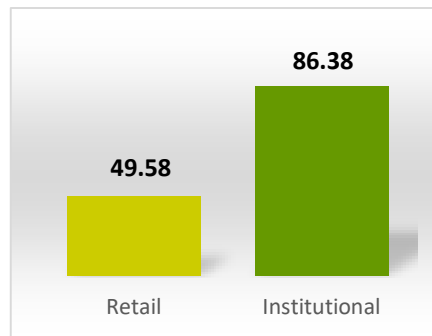
### ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by **38%**. A comparison of domestic transactions in the current and prior month (November 2020) revealed that retail transactions decreased by **42.45%** from ₦106.38billion in November 2020 to ₦61.22billion in December 2020. The institutional composition of the domestic market also decreased by **4.18%** from ₦144.12billion in November 2020 to ₦138.09billion in December 2020.

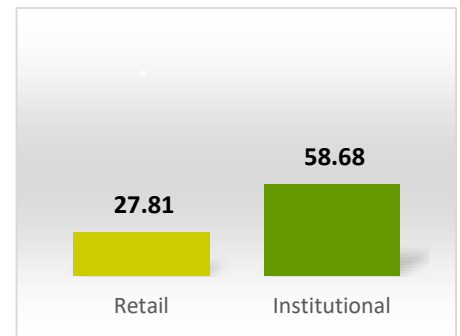
**Figure 4: Retail vs. Institutional**



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



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



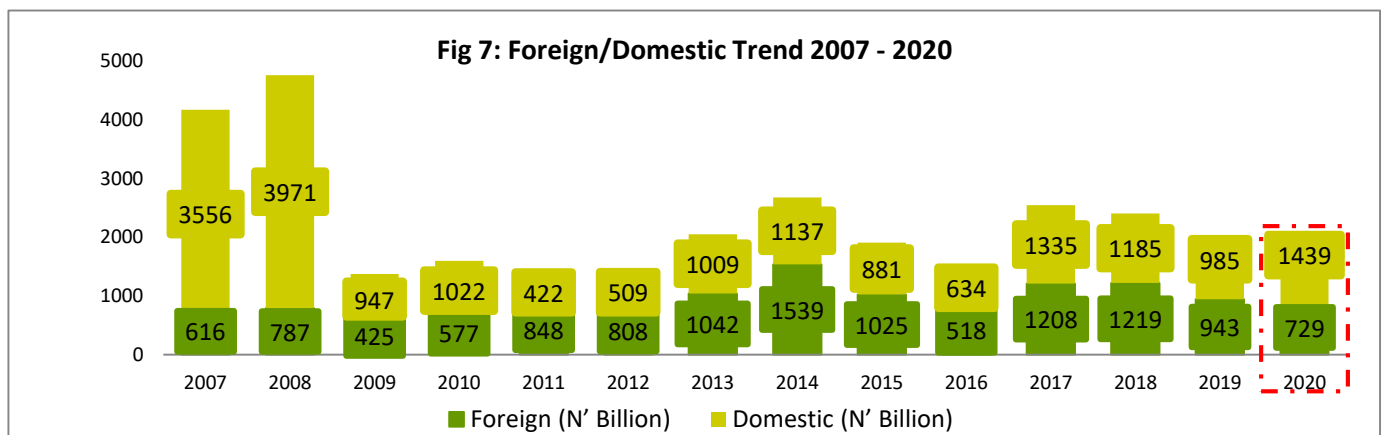
### HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

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 2020 shows that total foreign transactions carried out was circa ₦729.21billion, whilst total domestic transactions was circa ₦1.439t.

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





# 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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