



**THE Nigerian
STOCK EXCHANGE**

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

January 2021



DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 JANUARY 2021¹

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-21	232.46	47.52	20.44%	184.94	79.56%	16.73	30.79	67.44	117.50
Jan-20	235.46	70.32	29.86%	165.14	70.14%	23.82	46.50	81.67	83.47
Dec-20	269.24	69.92	25.97%	199.32	74.03%	21.14	48.78	61.22	138.09

On a monthly basis, The Nigerian Stock Exchange polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)² flows. As at 31 January 2021, total transactions at the nation's bourse decreased by **13.66% from ₦269.24billion (about \$687.06million) in December 2020³ to ₦232.46billion (about \$590.82million) in January 2021⁴**. The performance of the current month when compared to the performance in January 2020 (₦235.46billion) revealed that total transactions decreased marginally by **1.27%**. In January 2021, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **60%** as shown in figure 1 below.

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

Figure 1: Domestic vs. Foreign Participation

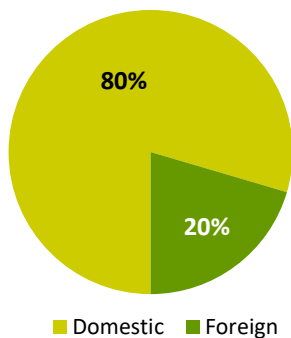


Figure 2: Inflow (N'Bn)

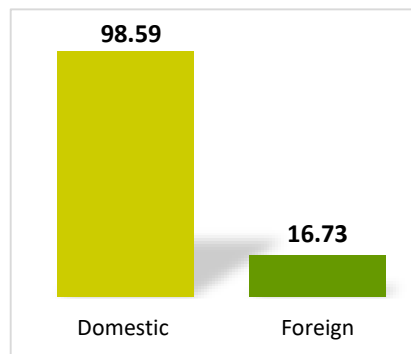
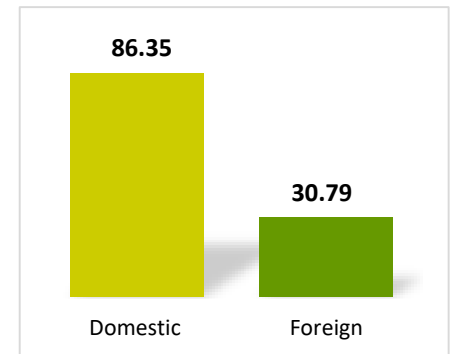


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (December 2020) revealed that total domestic transactions decreased by **7.21%** from ₦199.32billion in December to ₦184.94billion in January 2021. Additionally, total foreign transactions decreased by **32.04% from ₦69.92billion (about \$178.44million) to ₦47.52billion (about \$120.78million)** between December 2020 and January 2021.

¹ Information on the retail and institutional components of the total domestic transactions in January 2021 is based on data obtained from the monthly stockbroking transaction report of about 99% of the Active Dealing Members of The Exchange.

² 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).

³ The Exchange rate as at 31 December 2020 was N391.88 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

⁴ The Exchange rate as at 31 January 2021 was N393.45 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by **28%**. A comparison of domestic transactions in the current and prior month (December 2020) revealed that retail transactions increased by **10.16%** from ₦61.22billion in December 2020 to ₦67.44billion in January 2021. The institutional composition of the domestic market also decreased by **14.91%** from ₦138.09billion in December 2020 to ₦117.50billion in January 2021.

Figure 4: Retail vs. Institutional

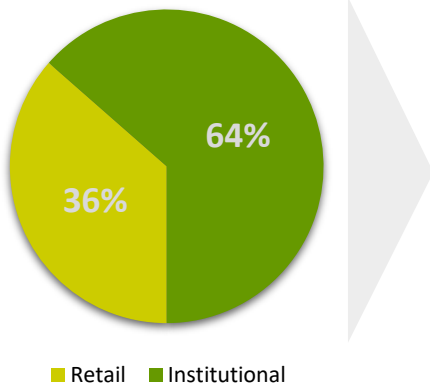


Figure 5: Inflow (N'Bn)

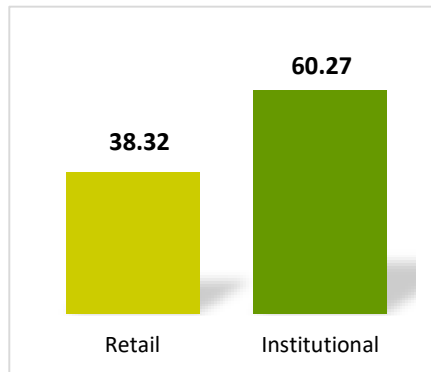
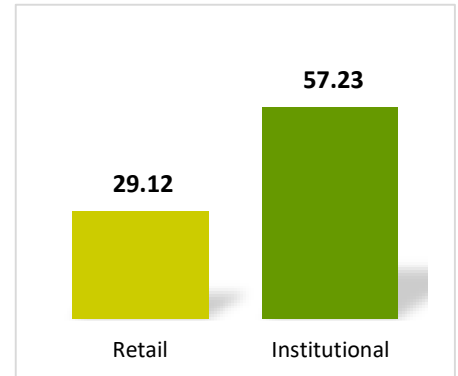


Figure 6: Outflow (N'Bn)



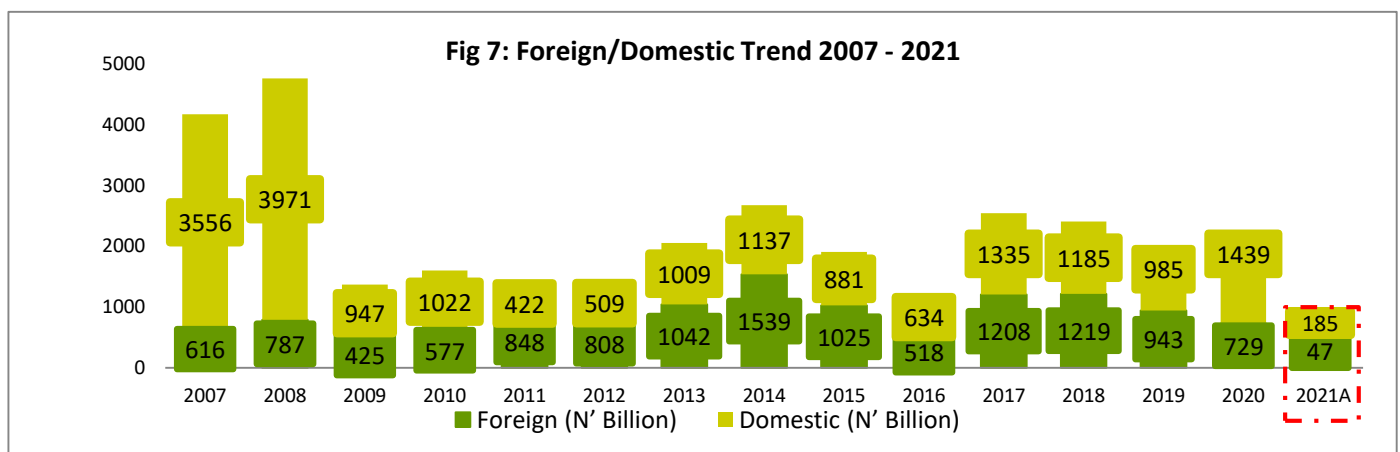
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

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 was circa ₦47.52billion, whilst total domestic transactions was circa ₦184.94billion.

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.

Terms of Use

All information/data contained in this "The Nigerian Stock Exchange's ("The Exchange") Domestic and Foreign Portfolio Investment Report", (hereinafter referred to as "Report") - including text, graphics, links or other items are provided as is and as available and may not be accurate or up to date; the Report is intended to provide general information regarding the domestic and foreign investment portfolio in The Exchange, and is not intended to provide investment or other professional advice. The content of this Report is subject to change at any time without notice. Whilst reasonable care has been taken in preparing this Report and ensuring that its contents are accurate and reliable, The Exchange does not, whether expressly, tacitly or implicitly, represent, warrant or in any other way, guarantee the availability, truth, accuracy, completeness, timeliness or adequacy and non-infringement of intellectual property rights of the information and data contained in this Report or reliability of any external links or any of the content, materials. Information and data contained in them. No responsibility or liability is accepted by The Exchange for actions taken as a result of information provided in this Report.

The information and contents in this Report are the property of The Exchange; recipients of this Report are required to treat the information contained herein as sensitive, such information may not be reproduced, modified, transmitted or redistributed without prior written consent from The Exchange. This applies to both individual use of the information/data and the aggregate use of the information/ data contained in this Report. The Exchange shall not be held liable for improper or incorrect use of information/data contained in this Report. The Exchange reserves the right to prosecute any person, group of persons, company, entity, etc., who without a written authorization of The Exchange, reproduces, modifies, transmits and/or redistributes the information and data accessed in this Report.

The Exchange accepts no liability resulting directly or indirectly from the disclosure of this Report to any third party and/or the reliance of any third party on the contents of the Report, either in whole or in part. For authorized circulation, the document may only be circulated as a PDF to eliminate unauthorized changes. Please report any unauthorized use, misuse or plagiarism to The Nigerian Stock Exchange at: contactcenter@nse.com.ng.

The Exchange expressly DISCLAIMS liability for errors, omissions, defects, interruptions or otherwise contained in this Report. The Exchange does not verify any information/ data provided by third parties and DISCLAIMS any obligation to do so.