



Domestic & Foreign Portfolio Investment Report of Nigerian Exchange Limited

December 2021

DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

SUMMARY OF TRANSACTIONS AS AT 31 DECEMBER 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
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
May-21	97.19	20.29	20.88%	76.90	79.12%	13.01	7.28	32.94	43.96
Jun-21	100.77	23.42	23.24%	77.35	76.76%	13.92	9.50	36.06	41.29
Jul-21	89.77	15.53	17.30%	74.24	82.70%	7.50	8.03	37.59	36.65
Aug-21	89.42	25.36	28.36%	64.06	71.64%	10.72	14.64	31.89	32.17
Sep-21	118.15	24.35	20.61%	93.80	79.39%	11.93	12.42	31.76	62.04
Oct-21	213.07	42.42	19.91%	170.65	80.09%	20.91	21.51	58.34	112.31
Nov-21	196.14	69.56	35.46%	126.58	64.54%	33.12	36.44	45.51	81.07
Dec-21	158.26	35.32	22.32%	122.94	77.68%	15.46	19.86	37.74	85.20
2021 YTD ²	1899.23	434.50	22.88%	1464.73	77.12%	204.88	229.62	578.12	886.61
2020 YTD ³	2168.15	729.20	33.63%	1438.94	66.37%	247.27	481.93	618.79	820.14

On a monthly basis, Nigerian Exchange Limited (“NGX”) polls trading figures from market operators on their Domestic and Foreign Portfolio Investment (FPI)⁴ flows. As at 31 December 2021, total transactions at the nation’s bourse decreased by **19.31% from ₦196.14billion (about \$472.54million) in November 2021⁵ to ₦158.26billion (about \$363.81million) in December 2021⁶**. The performance of the current month when compared to the performance in December 2020 (**₦269.24billion**) revealed that total transactions decreased by **41.22%**. In December 2021, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **56%** as shown in figure 1 below.

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

Figure 1: Domestic vs. Foreign Participation

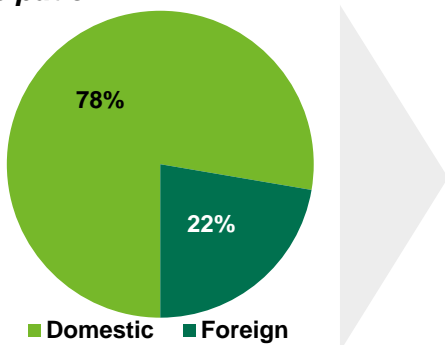


Figure 2: Inflow (N'Bn)

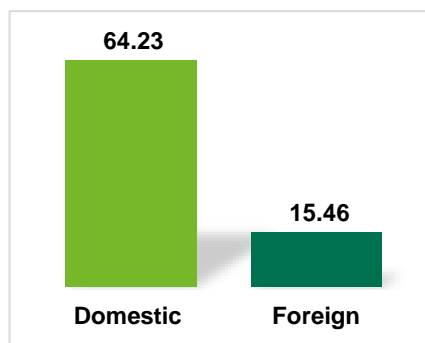
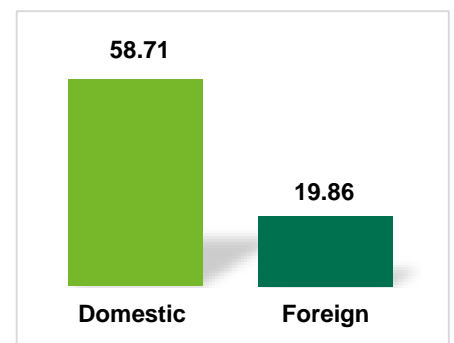


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (November 2021) revealed that total domestic transactions decreased by **2.88%** from ₦126.58billion in November to ₦122.94billion in December 2021. In contrast, total foreign transactions decreased more sharply by **49.22% from ₦69.56billion (about \$167.58million) to ₦35.32billion (about \$81.20million)** between November 2021 and December 2021.

¹ Information on the retail and institutional components of the total domestic transactions in December 2021 is based on data obtained from the monthly stockbroking transaction report of 100% of the Active Trading License Holders (TLHs) of Nigerian Exchange Limited (“NGX”).

² 2021 Year to Date (YTD) represents January to December 2021 Transactions.

³ 2020 Year to Date (YTD) represents January to December 2020 Transactions.

⁴ 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).

⁵ The Exchange rate as at 30 November 2021 was ₦415.07 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

⁶ The Exchange rate as at 31 December 2021 was ₦435.00 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

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 2021) revealed that retail transactions decreased by **17.07%** from ₦45.51billion in November 2021 to ₦37.74billion in December 2021. However, the institutional composition of the domestic market increased by **5.09%** from ₦81.07billion in November 2021 to ₦85.20billion in December 2021.

Figure 4: Retail vs. Institutional

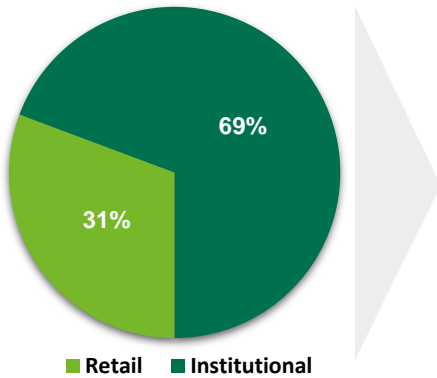


Figure 5: Inflow (N'Bn)

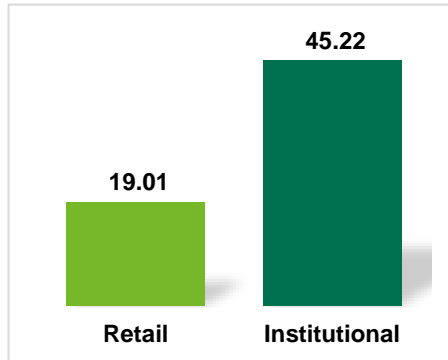
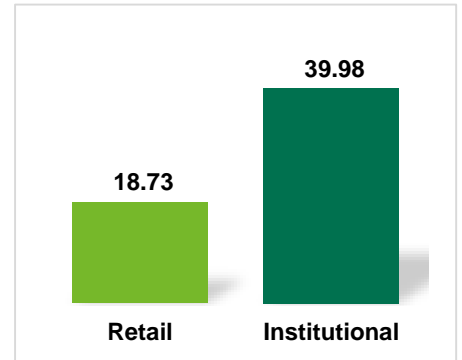


Figure 6: Outflow (N'Bn)



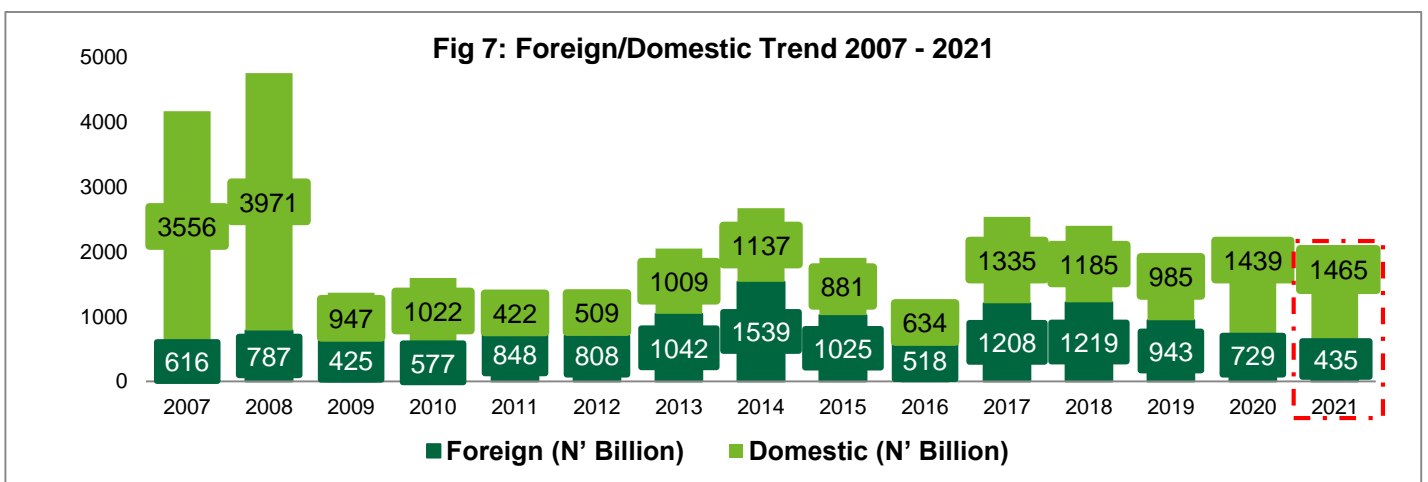
HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

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 **58.80%** from ₦3.556t in 2007 to ₦1.465t in 2021 whilst foreign transactions also decreased by **29.38%** from ₦616bn to ₦435bn over the same period.

Total domestic transactions accounted for about 77% of the total transactions carried out in 2021, whilst foreign transactions accounted for about 23% of the total transactions in the same period.

The transaction data for 2021 shows that total foreign transactions are circa ₦434.50billion, whilst total domestic transactions are circa ₦1.465t.

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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