



# Domestic & Foreign Portfolio Investment Report of Nigerian Exchange Limited

February 2023

## DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING

### SUMMARY OF TRANSACTIONS AS AT 28 FEBRUARY 2023<sup>1</sup>

| Period                | Total  | Foreign<br>N'Billion | Foreign<br>% | Domestic<br>N'Billion | Domestic<br>% | Foreign<br>Inflow<br>N'Billion | Foreign<br>outflow<br>N'Billion | Domestic<br>Retail<br>N'Billion | Domestic<br>Institutional<br>N'Billion |
|-----------------------|--------|----------------------|--------------|-----------------------|---------------|--------------------------------|---------------------------------|---------------------------------|--|
| Jan-23                | 195.10 | 24.90                | 12.76%       | 170.20                | 87.24%        | 9.84                           | 15.06                           | 35.66                           | 134.54                                 |
| Feb-23                | 188.91 | 19.62                | 10.39%       | 169.29                | 89.61%        | 3.68                           | 15.94                           | 34.79                           | 134.50                                 |
| 2023 YTD <sup>2</sup> | 384.01 | 44.52                | 11.59%       | 339.49                | 88.41%        | 13.52                          | 31.00                           | 70.45                           | 269.04                                 |
| 2022 YTD <sup>3</sup> | 506.94 | 86.74                | 17.11%       | 420.20                | 82.89%        | 38.96                          | 69.84                           | 121.24                          | 217.21                                 |

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 28 February 2023, total transactions at the nation’s bourse decreased by **3.17% from ₦195.10billion (about \$422.94million) in January<sup>5</sup> 2023 to ₦188.91billion (about \$409.72million) in February<sup>6</sup> 2023**. The performance of the current month when compared to the performance in February 2022 (₦183.56billion) revealed that total transactions increased by **2.91%**. In February 2023, the total value of transactions executed by Domestic Investors outperformed transactions executed by Foreign Investors by circa **80%** as shown in figure 1 below.

### ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS FOR THE MONTH (FEBRUARY'23)

Figure 1: Domestic vs. Foreign Participation

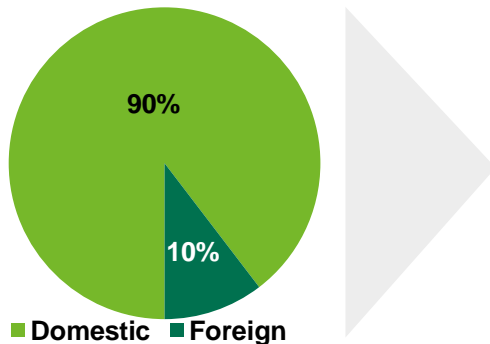


Figure 2: Inflow (N'Bn)

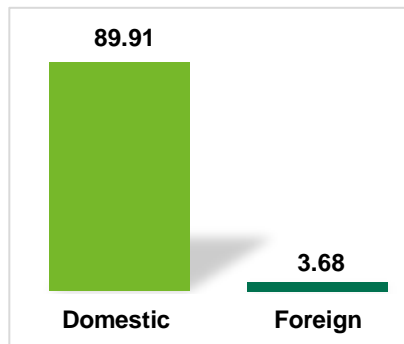
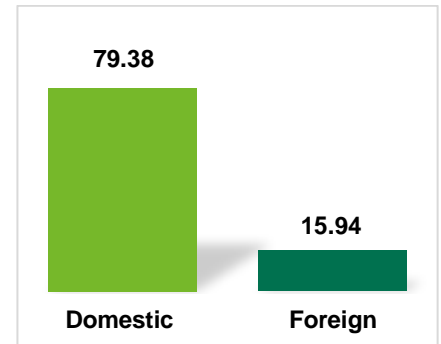


Figure 3: Outflow (N'Bn)



A further analysis of the total transactions executed between the current and prior month (January 2023) revealed that total domestic transactions decreased by **0.53% from ₦170.20billion in January to ₦169.29billion in February 2023**. However, total foreign transactions decreased more significantly by **21.20% from ₦24.90billion (about \$53.98million) to ₦19.62billion (about \$42.51million)** between January 2023 and February 2023.

### ANALYSIS OF DOMESTIC TRANSACTIONS

Figure 4 below shows that Institutional Investors outperformed Retail Investors by **58%**. A comparison of domestic transactions in the current and prior month (January 2023) revealed that retail transactions decreased by **2.44% from ₦35.66billion in January to ₦34.79billion in February 2023**. Similarly, the

<sup>1</sup> Information on the retail and institutional components of the total domestic transactions in February 2023 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”).

<sup>2</sup> 2023 Year to Date (YTD) represents January to February 2023 Transactions.

<sup>3</sup> 2022 Year to Date (YTD) represents January to February 2022 Transactions.

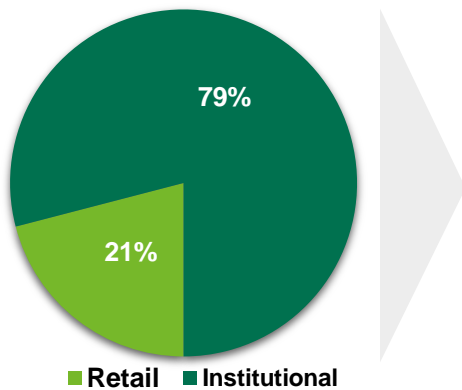
<sup>4</sup> Methodology - The FPI outflow includes sales transactions or liquidation of portfolio investments through the stock market, whilst the FPI inflow includes purchase transactions on NGX (Equities only).

<sup>5</sup> The Exchange rate as at 31 January 2023 was ₦461.30 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

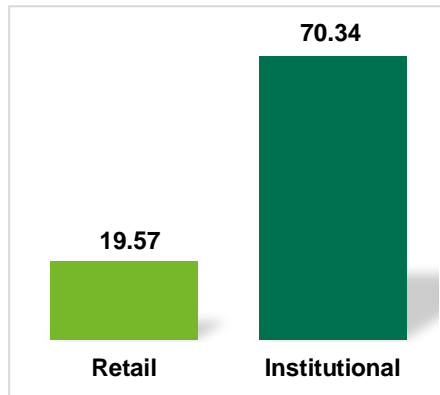
<sup>6</sup> The Exchange rate as at 28 February 2023 was ₦461.07 to \$1 (NAFEX - Nigerian Autonomous Foreign Exchange Rate Fixing).

institutional composition of the domestic market decreased by **0.03%** from ₦134.54billion in January 2023 to ₦134.50billion in February 2023.

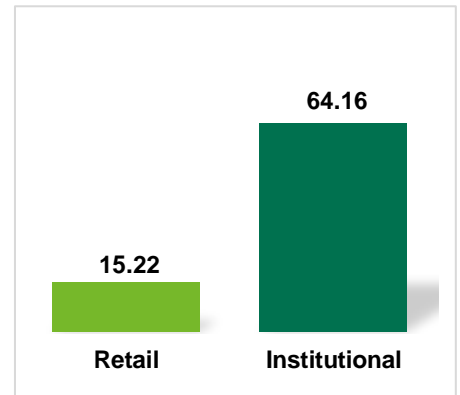
**Figure 4: Retail vs. Institutional**



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



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



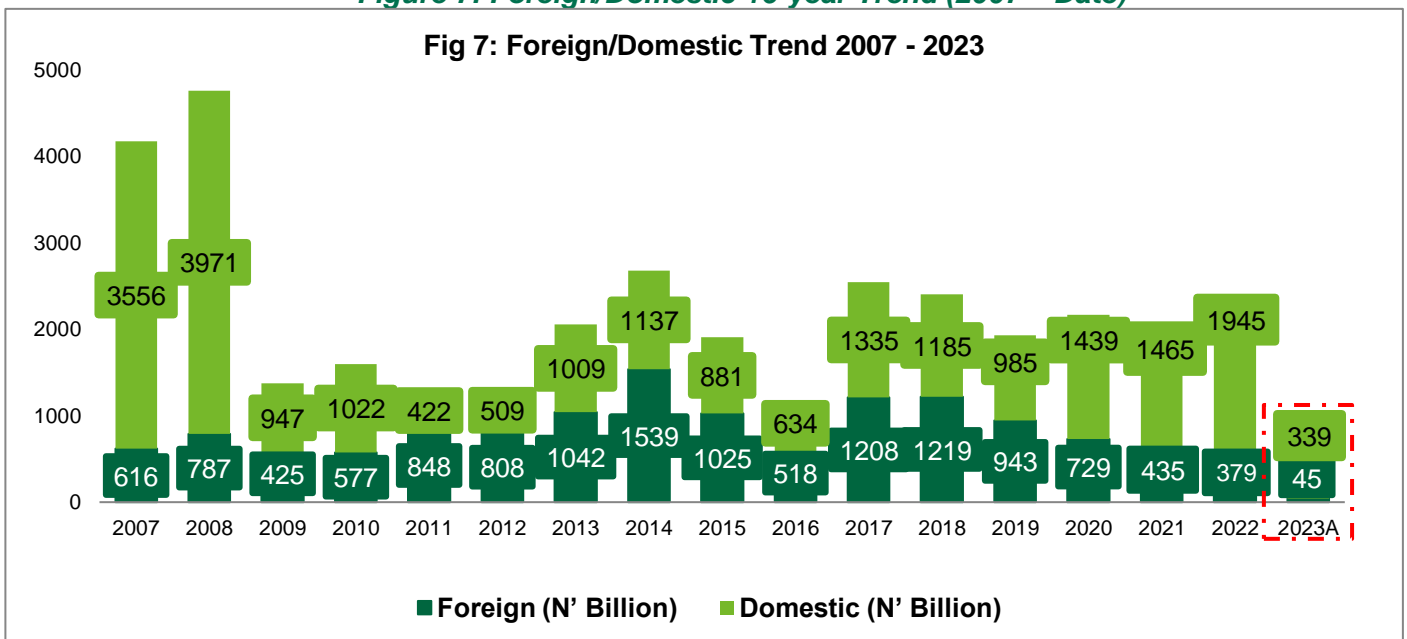
### HISTORICAL ANALYSIS OF DOMESTIC AND FOREIGN TRANSACTIONS

The data in figure 7 below highlights the performance of the market over the last decade. Over a sixteen (16) year period, domestic transactions decreased by **45.30%** from ₦3.556t in 2007 to ₦1.945t in 2022 whilst foreign transactions also decreased by **38.47%** from ₦616bn to ₦379bn over the same period.

Total domestic transactions accounted for about 84% of the total transactions carried out in 2022, whilst foreign transactions accounted for about 16% of the total transactions in the same period.

The transaction data for 2023 shows that total domestic transactions are circa ₦339.49billion, whilst total foreign transactions are circa ₦44.52billion.

**Figure 7: Foreign/Domestic 16-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 by NGX Regulation Limited, 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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